

103

IMPACT OF IMMIGRATION ON WELFARE PROGRAMS

Y 4. W 36:103-58

Impact of Immigration on Welfare Pr...

HEARING

BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
OF THE
COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES
ONE HUNDRED THIRD CONGRESS

FIRST SESSION

NOVEMBER 15, 1993

Serial 103-58

Printed for the use of the Committee on Ways and Means



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(III)

IMPACT OF IMMIGRATION ON WELFARE PROGRAMS

MONDAY, NOVEMBER 15, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON HUMAN RESOURCES,
Washington, D.C.

The subcommittee met, pursuant to call, at 1 p.m., in room B-318, Rayburn House Office Building, Hon. Harold E. Ford (chairman of the subcommittee) presiding.

[The press release announcing the hearing follows:]

(1)

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 29, 1993

PRESS RELEASE #11
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
1102 LONGWORTH HOUSE OFFICE BLDG.
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-1721

THE HONORABLE HAROLD E. FORD (D., TENN.),
CHAIRMAN, SUBCOMMITTEE ON HUMAN RESOURCES,
COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES,
ANNOUNCES A HEARING ON
THE IMPACT OF IMMIGRATION ON WELFARE PROGRAMS

The Honorable Harold E. Ford (D., Tenn.), Chairman, Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives, today announced that the Subcommittee will hold a hearing to examine the impact of immigration on welfare programs. The hearing will be held on Monday, November 15, 1993, beginning at 1:00 p.m. in room B-318 of the Rayburn House Office Building. Testimony will be received from invited and public witnesses.

In announcing the hearing, Congressman Ford said: "Given the recent trends in unemployment, wages, poverty, and welfare caseloads, the impact of immigration on our economy and welfare programs is an issue we must address. This hearing will focus on the facts, not the 'immigrant bashing' some might fear. Any new policies the Subcommittee might consider in this area should be guided by these facts, not the political emotions of the times."

Some of the questions in which the Subcommittee is interested are: How many foreign-born persons reside in the United States? From what countries did they come and in which States do they live? What are the historical trends in immigration? What changes have been made to immigration law and policy? Have these changes affected the number and composition of immigration? What are the impacts of immigration on the economy and on native-born, low-skilled workers? What are the eligibility requirements of welfare programs for immigrants? What are the impacts of immigrants on welfare programs? Do immigrants pay more in taxes than they consume in benefits and services? What are the fiscal impacts on Federal, State, and local governments? Are State and local governments hit by greater costs than the Federal Government? What do these facts imply for Federal welfare policies? Should non-citizens receive welfare? If yes, under what conditions?

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD:

Individuals and organizations interested in presenting oral testimony before the Subcommittee must submit their requests to be heard by telephone to Harriett Lawler, Diane Kirkland, or Karen Ponzurick [(202) 225-1721] no later than close of business Tuesday, November 9, 1993, to be followed by a formal written request to Janice Mays, Chief Counsel and Staff Director, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. The Subcommittee staff will notify by telephone those scheduled to appear as soon as possible after the filing deadline. Any questions concerning a scheduled appearance should be directed to the Subcommittee on Human Resources [(202) 225-1025].

Persons and organizations having a common position are urged to make every effort to designate one spokesperson to represent them in order for the Subcommittee to hear as many points of view as possible. Time for oral presentations will be strictly limited with the understanding that a more detailed statement may be included in the printed record of the hearing. (See formatting requirements below.) This process will afford more time for Members to question witnesses. In addition, witnesses may be grouped as panelists with strict time limitations for each panelist.

(MORE)

In order to assure the most productive use of the limited amount of time available to question hearing witnesses, all witnesses scheduled to appear before the Subcommittee are required to submit 200 copies of their prepared statements to the Subcommittee on Human Resources office, room B-317 Rayburn House Office Building, by close of business Friday, November 12, 1993. Failure to comply with this requirement may result in the witness being denied the opportunity to testify in person.

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE:

Persons submitting written statements for the printed record of the hearing should submit at least six (6) copies of their statements by close of business, Friday, November 29, 1993, to Janice Mays, Chief Counsel and Staff Director, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements for the record of the printed hearing wish to have their statements distributed to the press and the interested public, they may provide 100 additional copies for this purpose to the Subcommittee office, room B-317 of the Rayburn House Office Building, before the hearing begins.

FORMATTING REQUIREMENTS:

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

- 1 All statements and any accompanying exhibits for printing must be typed in single space on legal-size paper and may not exceed a total of 10 pages
- 2 Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee
- 3 Statements must contain the name and capacity in which the witness will appear or, for written comments, the name and capacity of the person submitting the statement, as well as any clients or persons, or any organization for whom the witness appears or for whom the statement is submitted
- 4 A supplemental sheet must accompany each statement listing the name, full address, a telephone number where the witness or the designated representative may be reached and a topical outline or summary of the comments and recommendations in the full statement. This supplemental sheet will not be included in the printed record

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press and the public during the course of a public hearing may be submitted in other forms

Chairman FORD. The Human Resources Subcommittee of the Ways and Means Committee will come to order.

Today, the Subcommittee on Human Resources holds a hearing on the impact of immigration on welfare programs. We will hear from immigration experts and advocates as they provide testimony on immigration trends, laws and policies. In addition to background information, testimony will also be received on the impact current immigration trends have on the economy, levels of government, and welfare programs.

Over one million immigrants enter the United States each year. In the past 10 years, nine million legal immigrants came to the United States, the highest number in any 10-year period since 1910. Current law stresses family unification, thus allowing individuals who immigrate to this country to sponsor their parents, spouses, and sons and daughters to come to the United States too. The number of relatives of recent immigrants awaiting immigration to the United States now approaches four million people.

In addition to legal immigrants, more than 100,000 asylum seekers are permitted to remain in the United States each year and it is also expected that over 121,000 refugees will be granted entrance in the fiscal year 1994. No one, however, can estimate accurately how many illegal immigrants have come to the United States, but current official estimates run at 300,000 undocumented aliens per year.

Moreover, it is estimated that nearly five million illegal immigrants have entered the United States in the past 10 years.

Recent polls show that a majority of Americans favor reducing the number of legal immigrants coming to the United States, despite a firm belief that immigrants are hardworking and basically good, honest people. With unemployment high and welfare case-loads growing, polls also indicate that a majority of Americans believe that immigrants take jobs from Americans. We hope that our witnesses will also comment on these issues today as they testify before this subcommittee.

President Clinton has proposed measures to tighten the screening of immigrants and strengthen the border patrol. Yet, there seems to be a growing sentiment to restrict immigration even more. One bill would restrict annual immigration to 300,000 persons per year, and that number would include immediate relatives.

Clearly, this is an emotionally-charged issue. Individuals on one side of the issue blame immigrants for many of our domestic problems, including unemployment as well as poverty. Those on the other side charge racism or immigrant bashing.

We will not allow emotions to run high and to guide the hearing this afternoon. Instead, let us listen to the facts and filter out the fiction. We will think clearly about this issue and arrive at policies that are fair and equitable for everyone.

I appreciate the response to this subcommittee's call for testimony, and I look forward to a wide range of testimony from the witnesses.

We have had staff evaluate the testimony that has been submitted by members of the different panels today. Testimony has not been submitted from one witness who requested to testify today. The American Farm Workers of America, AFL-CIO, has not sub-

mitted testimony, nor the copies of the testimony to the subcommittee. If you have the testimony now, please give it to the staff.

We also are privileged today to have the Office of U.S. Immigration and Naturalization Service with us. Ms. Doris Meissner, who is the Commissioner, will be testifying before the subcommittee. I will ask you to take a seat at the witness table.

I also will recognize Mr. Grandy of the subcommittee, who is representing the ranking minority member of the subcommittee.

Mr. GRANDY. Thank you, Mr. Chairman. I would like to make a statement before we begin the hearing today.

First of all, on behalf of the minority, let me compliment you for holding these hearings on immigration and obviously welfare, because that is the purview of this subcommittee. And I would hope that the subcommittee today will search for the answers to four questions:

The first is how much the Nation's taxpayers now spend on welfare for immigrants. We have a preliminary estimate from CBO showing how much we spend on welfare for noncitizens in the AFDC, food stamps, Medicaid and supplemental security income programs. In tables that will be passed out, these estimates show that between 1996 and 1998, we expect to spend nearly \$19 billion, more than \$6 billion a year, on welfare for noncitizens in just these four programs alone. This CBO estimate also shows that the amount we spend increases by more than \$½ billion a year.

[Table 1 follows:]

Eliminate Benefits to Most Noncitizens in SSI, Medicaid, Food Stamps, and AFDC—Federal outlays by fiscal year

[in billions of dollars]

	1994	1995	1996	1997	1998	Five-year total
Supplemental Security Income	0.0	-1.2	-2.5	-2.7	-3.0	-9.4
Medicaid	0.0	-0.9	-2.1	-2.4	-2.7	-8.1
Food Stamps	0.0	-0.4	-0.8	-0.8	-0.8	-2.8
Aid to Families with Dependent Children	0.0	-0.1	-0.3	-0.3	-0.3	-1.0
Total	0.0	-2.5	-5.7	-6.2	-6.8	-21.3

Note: This preliminary estimate has not been reviewed by the Director of the Congressional Budget Office. This estimate is subject to change.

Key Assumptions:

Proposal would be enacted April 1, 1994; States would deny benefits effective April 1, 1995.

States would continue to provide benefits to a) refugees, b) former refugees whose status has been adjusted to "lawfully admitted for permanent residence" (LAPR). Eligibility for this group would be limited to 6 years after the adjustment to LAPR status; 4 years if LAPR status is the result of marriage to a U.S. citizen, and c) noncitizens who are lawfully admitted as permanent residents or permanent residents under color of law (PRUCOL) who are at least 75 years old and who have been lawfully admitted under such statuses for at least 5 years.

States would continue to provide emergency Medicaid services to all noncitizens.

States would deny benefits to all other noncitizens including a) most permanent resident aliens (that is, green card holders), b) parolees, c) asylees, d) other permanent residents under color of law, e) Mexican citizens with border cards, f) illegal aliens, and g) students with visas.

The second table, Mr. Chairman, shows that we have about 900,000 noncitizens in our Medicaid and food stamp programs, over

500,000 on supplemental security income, and over 400,000 on AFDC. Now, these figures do not include illegal immigration, emergency medical services, citizen children with parents who are illegal residents, or spending on dozens of other welfare programs. Obviously, they do not include State spending either.

[Table 2 follows:]

Eliminate Benefits to Certain Noncitizens in SSI, Medicaid, Food Stamps, and AFDC

[fiscal year 1995, effective April 1, 1995]

	Estimated number of individuals affected in average month
Supplemental Security Income	520,000
Medicaid	950,000
Food Stamps	900,000
Aid to Families with Dependent Children	420,000
Total	Not Available

Notes: This preliminary estimate has not been reviewed by the Director of the Congressional Budget Office. This estimate is subject to change.

These figures cannot be added to get a total number of individuals affected by this provision. Many individuals participate in more than one of these programs, so adding the separate program estimates would result in double counting.

Key Assumptions:

Proposal would be enacted April 1, 1994; States would deny benefits effective April 1, 1995.

States would continue to provide benefits to a) refugees, b) former refugees whose status has been adjusted to "lawfully admitted for permanent residence" (LAPR). Eligibility for this group would be limited to 6 years after the adjustment to LAPR status; 4 years if LAPR status is the result of marriage to a U.S. citizen, and c) noncitizens who are lawfully admitted as permanent residents or permanent residents under color of law (PRUCOL) who are at least 75 years old and who have been lawfully admitted under such statuses for at least 5 years.

States would continue to provide emergency Medicaid services to all noncitizens.

States would deny benefits to all other noncitizens including a) most permanent resident aliens (that is, green card holders), b) parolees, c) asylees, d) other permanent residents under color of law, e) Mexican citizens with border cards, f) illegal aliens, and g) students with visas.

I would guess that between Federal, State and local governments, our Nation is now spending a minimum of \$8 billion a year on welfare for noncitizens. To my knowledge, neither the Ways and Means Committee nor the Finance Committee has ever debated, let alone had a vote on, whether this welfare spending is good policy.

The public should understand that this committee and Congress makes welfare policy on immigrants by default. I hope that one of the things this hearing will bring out is the beginning of a more responsible policymaking attitude, first by this committee and then by Congress as a whole.

I think the second task before us is to determine how America selects immigrants. This is a fundamental question if we are to learn how immigration affects the Nation's welfare program. The education and work skills of immigrants are the most important factors in determining whether they become productive, taxpaying citizens or wards of the State. Several of today's witnesses will discuss the preference for relatives in our current immigration policy. I believe they will agree that more immigrants are admitted to the United States because they are a relative of someone who already

resides here than for any other single reason. Potential contribution to the American economy then takes at this point second place to being a relative.

The subcommittee needs to find out whether admitting people because they are relatives increases the probability that they will wind up on public assistance, and if so, we should make it clear to Congress and the Nation that the most fundamental basis of our current immigration laws guarantees that we will pay billions per year in welfare benefits for noncitizens.

The subcommittee's third objective, I think, should be to determine what would happen if we simply ended welfare for noncitizens. The CBO estimates that by 1998, we would save at least \$6.8 billion, \$3.3 billion of this amount in programs under the jurisdiction of the Ways and Means Committee; States would also save billions.

But what would be the cost? Besides saving lots of money, there is an even better reason for this subcommittee to consider ending welfare for noncitizens. Why would any Nation open its welfare rolls to noncitizens, thereby allowing public benefits paid for by productive citizens to serve as a magnet attracting people from all over the world?

Being attracted to America for opportunity is one thing; being attracted by the promise of welfare is another, especially to potential immigrants from countries in which living conditions are typically much worse than living conditions of welfare recipients in America. At the very least, we should require that immigrants become citizens before giving them welfare benefits.

I know there are people, many of them who are probably in this hearing room today, who will immediately label as insensitive or cruel or racist anyone who suggests that we limit or eliminate welfare for noncitizens. I think it is important to clarify why we are making this proposal.

I am a strong supporter of immigration, but I do not understand why we would bring people to this country, pull them in, let them go on welfare, many of them for the rest of their lives. But I acknowledge that I may be wrong on this issue.

It is significant, I think, Mr. Chairman, that this hearing is taking place just before the critical debate on the North American free-trade agreement, which is de facto an immigration issue, at least perceived as such, and I would urge the witnesses to tell the members of this subcommittee why we should continue to spend billions of dollars every year on people who come to our Nation voluntarily and then become enrolled in our welfare programs permanently.

A fourth question, finally, is whether immigrants compete for jobs with American citizens, and, Mr. Chairman, you referenced this in your opening remarks, whether they depress wages. A recent study by prominent economists at the National Bureau of Economic Research, one of whom is now an Assistant Secretary at the Department of Labor, concluded that immigration flows have contributed substantially to the poor labor market performance of the less educated American workers during the 1980s.

This subcommittee will be deeply involved in welfare reform, and if immigrants now compete with low-wage American workers for

jobs, and if they depress wages, it will be more difficult for mothers to leave welfare for work.

Worse, even those mothers who take the difficult step of leaving welfare for work will have lower wages. This is an issue obviously that the subcommittee has vital interest in.

So, Mr. Chairman, I applaud you; you were wise to conduct this hearing, to begin this process, and I hope all of us will be just as wise when we consider the evidence on immigration in welfare presented by today's witnesses.

I thank the Chair.

Chairman FORD. Commissioner Doris Meissner, you are recognized at this point.

The subcommittee welcomes you. Thank you very much. The full text of your testimony will be made a part of the record. You may summarize your testimony and be open for any questions from the members here today.

**STATEMENT OF HON. DORIS M. MEISSNER, COMMISSIONER,
U.S. IMMIGRATION AND NATURALIZATION SERVICE**

Ms. MEISSNER. Thank you. Thank you, Mr. Chairman, members of the subcommittee. I appreciate the invitation to appear before you today to discuss immigration policy and current immigration trends. Our immigration laws are complex and often misunderstood. We are appreciative that you are taking time to understand the policy and the specifics on the groups involved as part of your examination on the impact of immigration on welfare programs.

My testimony covers two broad areas. First, I will provide a brief history of immigration law, culminating in a discussion of the current law. Second, I will discuss numbers and flows of immigrants to the United States and recent immigration trends.

Aliens are divided into several broad groups. The first includes immigrants who are admitted to live permanently in the United States. They are commonly called permanent residents or holders of green cards. The second is nonimmigrants, who are admitted for temporary periods for specific purposes, such as for tourism or as foreign students.

A third group includes refugees and asylees, people who receive asylum status. They may adjust to permanent resident status after they have been in the United States for a year. Permanent residents and refugees are on a track which lead to U.S. citizenship, usually after 5 years of residence. It is the immigrant, the permanent resident, therefore, upon which the comments today will be focusing.

Immigration has been subject to qualitative restrictions since the late 19th century, and to numerical restrictions since the 1920s. Priority for immigration has traditionally been ordered by a set of preferences, and the preferences have focused on close relatives of U.S. citizens, permanent residents, and certain needed workers. Some immigrants, such as immediate relatives of U.S. citizens, have traditionally been exempt from any numerical limits.

National origin quotas controlled numerically limited immigration from the Eastern Hemisphere from 1921 through 1965. Under this policy, specific numbers of immigrant visas were set aside annually for natives of each country, based on an earlier census dis-

tribution of their occurrence in the population. Unfortunately, these quotas did not correspond to demand, and generally went unfilled in Northern and Western European countries with large quotas, while huge backlogs developed in Southern and Eastern Europe and Asian countries where quotas were small, but demand was high. Moreover, by the middle of this century, national origins had generally been discredited as a basis for immigration policy.

In 1965, major amendments to the Immigration and Nationality Act abolished the national origins quota system and replaced it with a neutral system based on a series of limits. Under this system, visas were made available annually on a first-come-first-served basis, regardless of place of birth, within seven preference categories. This system had a 20,000 numerical limit on visa issuance to nationals of any one country.

This change had a major impact on the origin of immigrants, shifting flows from Northern and Western European countries to Southern and Eastern European countries and Asian countries where large backlogs of applicants for immigrant visas were already in line. Total immigration levels increased under the new system, since all available visas were used, unlike under the earlier system where some large quotas went unfilled.

Several additional changes have been made to immigration law since 1965 to increase the fairness of immigration policy and ensure equitable treatment of immigrants regardless of their place of birth.

In 1968 an annual numerical limit was imposed on Western Hemisphere immigration for the first time. In 1976, the disparity between the Eastern and Western Hemispheres in terms of who qualified to immigrate and the number that could come from any one country was eliminated. This change had the effect of reducing numerically-limited immigration from Mexico, but increasing such immigration from other Western Hemisphere countries.

Further changes were made in 1978 when the separate hemispheric ceilings were combined into a single worldwide ceiling, and 2 years later, in 1980, with the passage of the Refugee Act. The Refugee Act created a separate provision for the admission of refugees and asylees on a worldwide basis.

Despite these changes to improve immigration provisions, waiting lists to immigrate grew to a million persons and waits exceeded a decade for high-demand countries and high-demand preferences.

In late 1978, the Congress established the Select Commission on Immigration and Refugee Policy to study immigration and propose changes to improve the immigrant selection system. In its 1981 report to Congress, the Select Commission recommended creation of separate preference tracks for family and for employment-based immigrants, and an increase in the annual level of immigration, as well as changes in the categories included in the preferences.

In 1986, Congress enacted many of the changes recommended by the Select Commission for dealing with illegal immigration. Pressures continued to build regarding the legal immigration system, however. The system was no longer timely or realistic and met neither the needs of the United States nor prospective immigrants.

In late 1990, Congress enacted a major overhaul of immigration provisions. Consistent with the Select Commission recommenda-

tions, total immigration was increased and placed under a flexible cap, and separate preference systems were established for family-sponsored and employment-based immigration.

Further, the individual preferences were restructured to address the large backlogs which had developed and to create new opportunities for certain employment-based groups and for diversity immigrants. Under the Immigration Act of 1990 provisions, up to 700,000 immigrant visas may be issued annually through this fiscal year.

Beginning with 1995, the annual cap is reduced to 675,000 immigrants annually. That is made up of 480,000 in the family categories, 140,000 in the employment group, and 55,000 in the diversity category.

At least 226,000 of the family-sponsored visas available under the family category are for numerically-limited family members. Preference is given to adult unmarried sons and daughters of U.S. citizens, spouses and unmarried sons and daughters of permanent resident aliens, married sons and daughters of U.S. citizens and siblings of adult U.S. citizens. Immediate relatives of U.S. citizens are also admitted within the family-sponsored category, but outside of any direct numerical limitation. This group includes the spouses and children of U.S. citizens and the parents of adult U.S. citizens.

A major change in the 1990 act was the increase in employment-based immigration from 54,000 under the earlier policy to 140,000 visas. These visas are allocated to five categories of employment-based immigrants and their families. Aliens of extraordinary ability, members of the professions with advanced degrees or exceptional ability, certain skilled and unskilled workers, special immigrants and entrepreneur investors.

Finally, beginning in fiscal year 1995, the law includes 55,000 diversity visas available to nationals of countries where immigration totaled less than 50,000 over the preceding 5 years. Through this fiscal year, there are 40,000 diversity visas available for nationals of countries where immigration was reduced following enactment of the 1965 amendments, with at least 40 percent of these visas available to natives of Ireland.

Other groups of aliens such as refugees, asylees and aliens who are legalized under the 1986 Act can adjust to immigrant status following specified time periods of U.S. residency. It is also possible for other aliens in temporary status to adjust to permanent residence in the United States, but these aliens are subject to the same numerical restriction as immigrants receiving visas overseas.

Fiscal year 1992 was the first year in which immigrants were admitted under the new immigration law. A total of 810,635 immigrants were admitted during that year, including 445,000 in the family-sponsored category, 115,500 in the employment-based category and 33,900 as diversity immigrants. The remainder were primarily refugee adjustments and dependents of legalized aliens admitted under a 2-year special provision.

The largest number of immigrants in fiscal year 1992 were from Mexico, Vietnam, the Philippines, the former Soviet Union, the Dominican Republic, China and India. Although immigrants to the United States were once predominantly male, this is no longer the case. Fifty-four percent of all immigrants in 1992 were female.

Immigrants are more concentrated in the 20-34 age range than the total U.S. population. Just over 35 percent of the immigrants were in the 20-34 age group in 1992. Relatively few older persons immigrate to the United States. In 1992 only 4 percent of all immigrants were 65 or older. Half of all immigrants in 1992 were married.

In 1992, almost three-quarters of immigrants admitted were destined for six States: California, New York, Texas, Florida, New Jersey and Illinois. New immigrants typically have clustered in just a few States. The concentration of immigrants, as well as other groups of foreign-born persons in a few States can create disproportionate impacts on those States.

Until 1976, when California took the lead, the largest number of immigrants went to New York. The largest number of refugees and illegal migrants also head for California; 55 percent of legalized aliens and about one-third of recent refugees settled in California.

Data from the 1990 census provides the best information on the foreign-born population. In 1990, census reports show a resident alien population of 11,770,000, or 4.7 percent of the U.S. population. Two-thirds of these aliens lived in four States: California, New York, Texas and Florida. Most of the foreign-born population were recent immigrants and had entered in the 10 years preceding the census.

Immigration, as to the overall trends, has generally increased over the past quarter century. Immigration over the decade following the 1965 amendments averaged 100,000 higher than during the previous 10 years. As flows developed from new sources, Asia in particular, immigration increased as many immigrants naturalized and brought in family members outside the numerical limits. Substantial flows of refugees since the 1970s have also increased overall immigration. Higher immigration statutory levels beginning in fiscal year 1992 also increase overall levels.

Substantial shifts in country of origin of immigrants have occurred over the past quarter century. Until 1965, Europe accounted for over half of all immigration, with Asia accounting for less than 8 percent. Immigration from Europe has steadily decreased, now accounting for about 18 percent of the total, while immigration from Asia has increased to about 43 percent. Immigration from North America has decreased slightly as a percentage of overall immigration, and now accounts for about 29 percent of legal immigration to the United States.

In considering immigration flows and trends, it is important to recognize that some immigrants, although admitted to live permanently in the United States, in fact, emigrate. Direct measures of the extent that persons leave the United States are not available. However, current best estimates based on U.S. and foreign data suggest that immigration from the United States is likely to be well above 200,000 per year.

That ends my summary, and I will be happy to answer your questions.

Thank you.

[The prepared statement follows:]

TESTIMONY OF DORIS M. MEISSNER
U.S. IMMIGRATION AND NATURALIZATION SERVICE

Mr. Chairman and Members of the Subcommittee:

Thank you for the invitation to appear before you today to discuss immigration policy and current immigration trends. Over the past several years, immigration has become a leading public policy issue. Our immigration laws are complex and often misunderstood. I am especially appreciative that you are taking time to understand the policy and specifics on the groups involved as a part of your examination on the impact of immigration on welfare programs.

The purpose of my testimony is twofold. First I will provide a brief history of immigration law, culminating in a discussion of the current law. Second, I will discuss numbers and flows of immigrants to the United States and recent immigration trends. My goal is to provide information on the first five questions posed in your press release announcing this hearing, including:

- How many foreign-born persons reside in the U.S.?
- Where they are from: In what states do they live?
- What are historical trends in immigration?
- What changes have been made to immigration law and policy?
- How have these changes affected the number and composition of immigration?

Aliens are divided into two broad groups--immigrants admitted to live permanently in the United States (commonly called permanent residents or green card holders) and nonimmigrants who are admitted for temporary periods for specific purposes, such as tourists, students, or business visitors. Refugees/asylees represent a third group, who may adjust to permanent resident status after they have been in the United States for a year. Both permanent residents and refugees are on a track which can lead to U.S. citizenship, usually after 5 years residence. It is the immigrant, or permanent

resident, group on which I will be focusing my comments today.

Historical Perspective

Immigration has been subject to qualitative restrictions since the late nineteenth century and numerical restrictions since the 1920's. Priority for immigration has traditionally been ordered by a set of preference categories for certain close relatives of United States citizens, permanent residents and certain needed workers. Immediate relatives (now defined as spouses, unmarried children under age 21, and parents of U.S. citizens at least 21 years of age) have traditionally been exempt from any numerical limits.

National origin quotas controlled numerically limited immigration from the Eastern Hemisphere from 1921 through 1965. Under this policy, specific numbers of immigrant visas were set aside annually for natives of each country based on the number of U.S. residents from these countries in an earlier census. This policy strongly favored Northern and Western European countries, with smaller quotas for other European nations and minimum quotas of 100 visas per year for most Asian and African nations. Unfortunately, quotas did not correspond to demand. Quotas generally went unfilled in Northern and Western European countries with large quotas, and huge backlogs developed in some Southern and Eastern European and Asian countries where quotas were small but demand was high. Moreover, national origin as the principle upon which immigration was based became a discredited idea.

In 1965, major amendments to the Immigration and Nationality Act abolished the national origins quota system and replaced it with a neutral system based on a series of limits rather than quotas. Under this system, visas were made available annually on a first-come, first-served basis, regardless of place of birth, within seven preference categories. To ensure that visa issuance

was spread among countries, no more than 20,000 numerically limited visas could be issued to nationals of any one country.

The change in law had a major impact on the origin of immigrants, shifting flows from Northern and Western European countries, such as Great Britain and Germany, initially to Southern and Eastern European countries, such as Italy, Greece, and Portugal, and Asian countries including the Philippines, India, Korea, and China where large backlogs of applicants for immigrant visas were already in line. Total immigration levels increased under the new system since all available visas were used, unlike under the earlier system where quotas for some countries were often not filled.

Several additional changes have been made to immigration law since 1965 to increase the fairness of immigration policy and ensure equitable treatment of immigrants, regardless of their place of birth. In 1968, an annual numerical limit was imposed on Western hemisphere immigration for the first time, although preferences and country limits were not included. In 1976, the disparity between the two hemispheres, in terms of who qualified to immigrate and the number that could come from any one country, was eliminated. This change had a major impact on immigration from Mexico which was reduced substantially by the annual 20,000 per-country limit. However, while reducing immigration from Mexico, the change in policy benefitted natives of other Western Hemisphere countries by making available some of the numbers previously used by natives of Mexico.

In 1978, the separate hemispheric ceilings were combined into a single worldwide ceiling which resulted in greater demand and visa usage by Asian and Latin American countries. Two years later, the law was again changed through passage of the Refugee Act of 1980, which created a separate provision for the admission of refugees and asylees on a worldwide basis using the United Nations

definition of refugee. Despite the periodic incremental changes to improve provisions affecting immigration, substantial problems developed. Waiting lists to immigrate grew to a million persons, and waits exceeded a decade for high-demand countries and preferences.

In late 1978, Congress established the Select Commission on Immigration and Refugee Policy to study immigration and propose changes to improve the immigrant selection system. In its 1981 report to Congress, the Select Commission recommended creation of separate preference tracks for family and employment-based immigrants, an increase in the annual level of immigration, and changes in the categories included in the preferences.

In 1986, Congress enacted many of the changes recommended by the Select Commission for dealing with illegal immigration, including legalizing long-term resident undocumented aliens and prohibiting the hire and employment of unauthorized workers. Pressures continued to build regarding the legal immigration system, however, with increasing backlogs and delays for immigrant visas worldwide. The system was no longer timely or realistic and met neither the needs of the United States nor prospective immigrants.

The 1990 Immigration Act

In late 1990, Congress enacted the first major overhaul of the provisions governing immigration since 1965. Based on the Select Commission recommendation, the Immigration Act of 1990 made fundamental changes within the immigration system. Total immigration was increased and placed under a flexible cap. As recommended by the Select Commission, separate preference systems were established for family-sponsored and employment-based immigration. Further, the individual preferences were restructured, in part to address the large backlogs which had

developed in certain countries and categories and to create new opportunities, especially for certain employment-based groups and diversity immigrants.

Under the Immigration Act of 1990 provisions, up to 700,000 immigrant visas may be issued annually through this fiscal year. Beginning with 1995, the annual cap is reduced to 675,000 immigrants annually, 480,000 in the family-sponsored categories, 140,000 in the employment-based group, and 55,000 in the diversity category (natives adversely affected by the 1965 amendments to the Immigration and Nationality Act).

At least 226,000 of the family-sponsored visas are available annually under the family-sponsored category for numerically limited family members. Preference is given to adult unmarried sons and daughters of U.S. citizens (23,400), spouses and unmarried sons and daughters of permanent resident aliens (114,200), married sons and daughters of U.S. citizens (23,400), and siblings of adult U.S. citizens (65,000). Special means of allocating visas outside the country limits are made for spouses and children of permanent resident aliens to facilitate reunification of immediate family members, which was a major problem prior to the 1990 changes to the law.

Immediate relatives of U.S. citizens are also admitted within the family-sponsored category but outside any direct numerical limitation. This group includes spouses and children of U.S. citizens and the parents of adult U.S. citizens.

A major change in the 1990 Act was the increase in employment-based immigration. Only 54,000 immigrant visas were available to needed workers and their families under the earlier policy. Now 140,000 visas are available to five categories of employment-based immigrants and their families: aliens of extraordinary ability, outstanding professors or researchers, and certain multi-national

executives and managers (40,000 -- with no more than 10,000 allocated for unskilled and their families); members of the professions with advanced degrees or of exceptional ability (40,000); certain skilled workers, professionals with baccalaureate degrees, or unskilled shortage workers (40,000); special immigrants (10,000); and entrepreneurs investing at least \$1 million in a U.S. enterprise and creating at least 10 jobs for American workers (10,000).

Finally, beginning in FY 1995, the law includes 55,000 diversity visas available to nationals of countries where immigration totalled less than 50,000 over the preceding 5 years. Through this fiscal year there are 40,000 diversity visas available for nationals of countries where immigration was reduced following enactment of the 1965 Amendments, with at least 40 percent of these visas available to natives of Ireland.

Other groups of aliens such as refugees, asylees, and aliens who legalized under the Immigration Reform and Control Act of 1986 can adjust to immigrant status following specified time periods of U.S. residency. It is also possible under certain circumstances for other aliens in temporary status to adjust to permanent residence in the United States. Where applicable, these aliens are subject to the same numerical restrictions as immigrants receiving visas overseas.

Current Numbers and Flows

Fiscal Year 1992 was the first year in which immigrants were admitted under the new immigration law. A total of 810,635 immigrants were admitted during that year (not including 163,342 aliens who received immigrant status under IRCA's legalization program), including 445,009 in the family sponsored category (53 percent of whom were immediate relatives and outside the direct numerical limitations), 115,547 in the employment-based category,

and 33,911 as diversity immigrants. The remainder were primarily refugee adjustments (117,037) and dependents of legalized aliens admitted under a 2-year special provision (52,272). The largest number of immigrants in FY 1992 were from Mexico (91,332), Vietnam (77,728), the Philippines (59,179), the former Soviet Union (43,590), the Dominican Republic (40,840), China (38,735), and India (34,629). In 1992, almost three-quarters of all immigrants were destined for six states--California, New York, Texas, Florida, New Jersey, and Illinois.

Although at one time, immigrants to the United States were predominantly male, this is no longer the case. In 1992, 54 percent of all immigrants were female. Immigrants tend to be relatively young, with almost 21 percent of the immigrants admitted in 1992 under the age of 15 and almost a third under age 20. Immigrants are more concentrated in the 20 to 34 age range than the total U.S. population--just over 35 percent of the immigrants were in the 20 to 34 age group in 1992. Relatively few older persons immigrate to the United States. In 1992, only 4 percent of all immigrants were 65 or older. Half of all immigrants in 1992 were married, and another 45 percent were single. The remainder were widowed, divorced, or separated.

New immigrants typically have clustered in just a few states. The concentration of immigrants--as well as other groups of foreign-born persons--in a few states can create disproportionate impacts on those states. Until 1976 the largest number of immigrants went to New York. However, beginning that year, California surpassed New York as the leading state of immigration and has retained that lead. About one-third of recent refugees also have settled in California. In addition, California received 55 percent of legalized aliens, that is, migrants who were in the United States illegally and subsequently were legalized under IRCA.

Data from the 1990 Census provides the best information on the foreign-born population. In 1990, Census reports show that almost 20 million foreign-born persons were resident in the United States. Almost 8 million of these persons were naturalized citizens, leaving a resident alien population of 11,770,000, or 4.7 percent of the U.S. population. Two-thirds of these aliens lived in four states--California (38 percent), New York (13 percent), Texas (9 percent), and Florida (8 percent). Most of the foreign-born population (42 percent) were recent immigrants and had entered in the 10 years preceding the census--18 percent between 1980 and 1984, and 24 percent from 1985 through early 1990.

Immigration Trends

Immigration has generally increased over the past quarter century. As mentioned earlier, more complete use of available visas increased immigration following elimination of the national origin quotas in the mid 1960s. Immigration over the next decade averaged 100,000 higher than during the 10 years preceding the amendments. As flows developed from new sources, Asia in particular, immigration increased as many of the new permanent residents naturalized readily and brought in family members outside the numerical limitations. Substantial flows of refugees since the 1970s have also increased overall immigration. The higher immigration statutory levels beginning in FY 1992 will also increase overall levels--the 810,635 immigrants admitted in FY 1992, were 15 percent higher than immigration in 1991.

Substantial shifts in country of origin of immigrants have occurred over the past quarter century. Until the quota system was abolished, Europe--primarily Northern and Western European countries--accounted for over half of all immigration. Asian immigrants accounted for less than 8 percent during that period. Over time, immigration from Europe has steadily decreased, now accounting for about 18 percent of total immigration, while

immigration from Asia has increased to about 43 percent. Over the past quarter century, immigration from North America--primarily from Mexico, the Dominican Republic, Jamaica, and El Salvador--has decreased slightly as a percentage of overall immigration. It now accounts for about 29 percent of all legal immigration to the United States.

In considering immigration flows and trends it is important to recognize that some immigrants, although admitted to live permanently in the United States, in fact emigrate. Statistics on emigration have not been collected since 1957, so direct measures of the extent that persons leave the United States are not available. Current best estimates based on U.S. and foreign data suggest that emigration from the United States is likely to be well above 200,000 per year.

That concludes my formal statement. I would be pleased to answer any questions you may have at this time.

Chairman FORD. Commissioner Meissner, let me thank you very much for appearing before the subcommittee.

Let me go through a few questions with you pertaining to your testimony, Commissioner, if you don't mind.

In your testimony just a minute ago on page 10, you said relatively few older persons immigrate to the United States, and in 1992 only 4 percent of all immigrants were 65 or older. This amounts to over 30,000, elderly immigrants per year.

How do these elderly immigrants come to the United States?

Ms. MEISSNER. Well, generally, they would come as the parents of U.S. citizens. There are some among refugees are from time-to-time elderly. But by and large, it would be parents of U.S. citizens.

Chairman FORD. Which means they would be sponsored by relatives?

Ms. MEISSNER. They would be sponsored by a U.S. citizens, yes.

Chairman FORD. So that would only equate to about 30,000 older immigrants. The parents of immigrants, right?

Ms. MEISSNER. Yes. When U.S. citizens sponsor an immigrant, that includes evidence of the ability to support the immigrant, if the immigrant does not have a job.

Chairman FORD. Is the 3-year sponsorship period enforceable?

Ms. MEISSNER. Well, that is been a long discussion. It is not legally enforceable. The affidavit of support and the sponsorship agreement is an agreement of good faith.

Chairman FORD. Should there be some type of, maybe a bond in force?

Ms. MEISSNER. There is the—bond is available in some cases. I am not sure how regularly it is used. The discussion about whether or not sponsorship is legally binding, as I say, is one that has gone back and forth, and I think that is an area for some reasonable inquiry to be made.

Chairman FORD. How do you assess the risk that they might become public charges?

Ms. MEISSNER. Well, of course, the law requires the Immigration Service and the State Department to, in issuing visas, to satisfy ourselves that people will not be a public charge, and evidence of a job in the United States or an affidavit of support is the proof that we use to, you know, to be sure that the people will not become a public charge. Sometimes—that is somewhat different with refugees. Refugees are brought into the country explicitly with public support because they don't have, you know, anybody here in the United States to vouch for them. But apart from refugees, the law says people are not to be a public charge upon admission.

Chairman FORD. What percentage eventually becomes eligible for supplemental security income?

Ms. MEISSNER. I don't know the answer to that. I think some of your other witnesses will.

Chairman FORD. But you don't have any idea?

Ms. MEISSNER. I am sorry. I don't know.

Chairman FORD. Do they receive any other benefits such as food stamps or Medicaid? Would you have any information pertaining to that?

Ms. MEISSNER. No, they are not eligible for—I mean immigrants are not to be a public charge and there are only some programs for

which they are eligible. I know Joyce Vialt has the information on what they are eligible and what they are not eligible for. By and large, they are not eligible for public benefits.

Chairman FORD. The elderly would not be?

Ms. MEISSNER. I thought you were asking about immigrants.

Chairman FORD. Right.

Ms. MEISSNER. Elderly immigrants?

Chairman FORD. Right.

Ms. MEISSNER. I am not certain.

Chairman FORD. You are not certain. Is it likely that elderly immigrants who claim welfare benefits will contribute more to society than they drain with the benefits that they receive?

Ms. MEISSNER. Well, elderly immigrants, of course not. I mean one of the features of immigration over time, and presently that is significant, is that immigrants tend to be younger, and therefore, they tend to be very productive. They are working, earning, they are paying taxes and so forth. Obviously elderly immigrants are, by and large, not working and not paying taxes, but they also are a very small share of the immigrant population.

Chairman FORD. So you think they receive more benefits than they contribute to society.

Ms. MEISSNER. If they are getting benefits, then they probably are—I mean we should not—elderly immigrants are by no means all receiving public assistance. Most elderly immigrants indeed are provided for by their sponsors.

Chairman FORD. After the 3-year period?

Ms. MEISSNER. Yes, yes. I think the data shows that.

Chairman FORD. All right. So you are saying that younger immigrants are more likely to contribute more to society than they receive in benefits than any other group?

Ms. MEISSNER. Yes, yes.

Chairman FORD. During your confirmation hearings in September, you mentioned that the asylum system is broken and we need to fix it. What type of improvements are you planning to make in the system, or have you already made any changes in that area?

Ms. MEISSNER. Well, we have a very ambitious program for fixing the asylum system, and it begins with—it is a program that requires a variety of initiatives. In the first place, we are beginning to look much more carefully at what we refer to as boilerplate applications and we are putting regulations into place that give us the ability to reject boilerplate applications, so that they are not in the system in the first place.

We are—we will be putting considerably more resources into political asylum so that we have enough personnel to interview people. We will be looking and are looking at some serious areas of fraudulent schemes to use the asylum system improperly, and then we are putting a series of reforms into place in which the political asylum application and the decision on political asylum becomes linked with deportation if the asylum is denied.

This is a multiyear initiative. We are only beginning, but we think that within a year from now we will be far along the way and will certainly be current with the applications that are being filed.

Chairman FORD. What efforts are being made by INS to work with other agencies to ensure that illegal immigrants do not receive cash welfare benefits, or take jobs away from U.S. citizens?

Ms. MEISSNER. Well, where benefits are concerned, we have a data system which is referred to as SAVE. The acronym is Systematic Alien Verification for Entitlements. It is a result of the 1986 Immigration Reform and Control Act. And through the SAVE Program, State and local governments as well as Federal agencies, anybody that is—anybody that is responsible for determining benefit eligibility can query us whether the person they have in front of them is indeed a permanent resident if the person alleges that he is an immigrant.

That system is quite widely used, and it is—now, with that system we don't—the INS, the Federal Government does not determine whether or not the person should get the welfare benefit. What we determine is whether or not the person is legally in the country, and that is critical information for the service provider in making the eligibility determination.

Chairman FORD. Do you think it would be beneficial for Congress to pass a uniform standard to determine this eligibility for aliens?

Ms. MEISSNER. I think that is—I think that would be worth discussing.

Chairman FORD. Do you think it would be worth discussing?

Ms. MEISSNER. Yes. I am not sure whether it is appropriate in all cases, but I think it is a legitimate topic for discussion.

Chairman FORD. In the coming months, we will probably have to mark up a welfare package. There has been a lot of talk among Members of Congress and in the public regarding immigrants as a means of offsetting the costs of welfare reform. We have seen it with the emergency unemployment extended benefits, the bill that was before the House with a provision for some of the revenue to come from the sponsored-alien program.

There has been welfare reform legislation introduced in the Congress, including some mentioned by Mr. Grandy at the opening of this hearing. I don't know whether you want to respond to the four areas which he touched upon, but I am sure there will continue to be a dialog and a discussion before this subcommittee, the full committee, and the Congress.

There are some who would suggest that this is an area that we must continue to focus on, and that immigrants have created many social problems. But certainly we will have a fruitful dialog on the impact on the human needs programs in this country.

If you would like to respond to the four categories that Mr. Grandy mentioned in his opening remarks, I would welcome you at this time to respond.

Ms. MEISSNER. Well, I—you know, where a single standard is concerned, of course you know the welfare programs that we are talking about are very different. I mean some are for elderly, some are for dependent children, so the target populations are significantly different.

Chairman FORD. Most of them are means-tested programs.

Ms. MEISSNER. What the legal status is and what kinds of status should and should not qualify, I think that is certainly a fair subject for debate, and it is also one where it is very important to look

at the facts, because there are impressions that are often different from what the facts are. The most—the confusion generally comes over immigrants legally here vis-a-vis illegal immigrants. And an awful lot of what are problems with illegal immigration tend to be ascribed to legitimate immigrants, and so it is important to clarify and, you know, be clear of what we are talking about.

In terms of—

Chairman FORD. I think we should clear that up. Oftentimes I don't think a distinction is made between illegal and legal immigrants.

Ms. MEISSNER. Oftentimes it isn't.

Chairman FORD. In the context of immigrants, right.

Ms. MEISSNER. Right. But you know, as decisionmakers, we have a responsibility to be very clear about that.

Chairman FORD. I think we do have that responsibility.

Ms. MEISSNER. As to the points that Mr. Grandy raised, I am not sure that I am in a position to answer them. I mean I think they are legitimate issues, but they involve very broad discussion of the immigration system and of what the impacts of immigration today are, and you know, if that is something that the committee is going to be pursuing, then we should all be putting our information together in order to respond effectively.

Chairman FORD. Mr. Reynolds?

Mr. REYNOLDS. Thank you, Mr. Chairman. Thank you for coming today with your testimony.

Some of us—all of us are aware of what is happening here this week with the North American free-trade agreement. Do you think the flow of illegal immigrants from Mexico, for example, will rise or fall with the relative health or security of the Mexican economy? What effect—if the free trade agreement goes through and it helps the Mexican economy, would that have on illegal immigration into this country in your opinion?

Ms. MEISSNER. It should have a very positive, long-term effect where illegal immigration is concerned. I mean when all is said and done, the pressure to come to the United States from Mexico illegally is an economic pressure; it is a pressure based on serious differences in wages and in living standards between the two countries that share a border, and the ultimate answer in the long term has to be for the Mexican economy to improve.

So NAFTA is an effort for Mexico to improve its economy through growth, through trading and free market system, and that is in our interests where diminishing illegal immigration pressures are concerned.

Mr. REYNOLDS. So the belief is—it doesn't really have to be NAFTA, per se; if the Mexican economy improves, you believe that that has a positive impact on illegal immigration as far as the United States is concerned?

Ms. MEISSNER. Yes.

Mr. REYNOLDS. Thank you very much, Mr. Chairman.

Chairman FORD. Let me just follow up on that. When you talk about illegal immigrants crossing the border, you said there would be some long-term effect. What about the short-term effect of NAFTA?

Right now there has been a lot of talk that illegal immigrants who are crossing the border are, in fact, snatching up all of the minimum wage or low-paying jobs in this country. If we look at the number of illegal immigrants that are crossing the border, and in some cases the legal immigrants, there is a great impact on the job market in this country. I didn't quite understand the short-term effect.

When we see American companies that are talking about increased production and jobs if NAFTA is approved by this Congress, we are talking about some short-term effects; I would have to think that illegal immigration would be one of those areas that we could see some short-term impact that will positively affect the job market in this country.

Ms. MEISSNER. Well, most people who have looked at it have—agree that there is unlikely to be much short-term impact from NAFTA where immigration is concerned. You know, what NAFTA will do, or what any dramatic growth policy in Mexico will do is basically reorganize the economy, and a lot of people who are working unproductively or working in rural areas at subsistence levels will need to move and be involved in productive activity, and that process which can be more than a 10-year process, will involve a lot of migration within Mexico. And the migration patterns that exist between Mexico and the United States are not likely to be disrupted immediately. So NAFTA is for immigration a long-term answer. I mean it is a way of trying to deal with the systemic, underlying, long-term pressures.

In the short-term, we will continue to have to rely on enforcement and regulation of the job market.

Chairman FORD. I don't suggest that we remove any of our enforcement at all. But I said in my opening remarks, making reference to Time magazine, that currently about 300,000 illegal immigrants entered the United States each year and 5 million have entered over the past 10 years. If we are talking about 300,000 illegal immigrants with the North American free-trade agreement being passed, some have suggested strongly that it would negatively impact us because of the job loss that we would have with the immigrants coming into this country, and really competing for a lot of our low-paying jobs in this country.

Ms. MEISSNER. Well, we have a problem with illegal immigration, and we have a problem that generally manifests itself in the low-wage labor market, that is right. But I don't think anybody suggests that in the next couple of years NAFTA would help us in that regard.

Chairman FORD. So you don't foresee any immediate impact?

Ms. MEISSNER. No. NAFTA really is a long-term measure where immigration is concerned.

Mr. REYNOLDS. Mr. Chairman, could I—I don't quite understand that.

If, in fact, NAFTA is implemented and it goes in on January 1, 1994, I would be surprised if it would be 2 years before some sort of impact was the case. For example, in the auto industry, the administration says that they sell a few thousand cars in Mexico today; within a year they expect that to go up to 60,000. So that is a year's time frame.

I would think that if NAFTA went through, it would directly affect illegal immigration in a positive sense, because it would have a short-term positive impact on the Mexican economy. It would create—supposedly it is going to create all of these opportunities in Mexico, and it is going to take 2 years before it has any impact?

Ms. MEISSNER. Well, of course it is going to create jobs. I mean the question is whether—the question is where the jobs are created, what the labor market connections that already exist between Mexico and the United States are and how long it takes for those to be disrupted, and what the numbers of people coming into the Mexican labor market are vis-a-vis the job creation.

There is no question that there is substantial job creation forecasts under NAFTA. I think it is also generally agreed that even with that incredible jump start, there still are demographically large numbers, larger numbers of Mexicans coming into the labor market over the next several years than that job creation can absorb. So you can have both things going on.

You can have growth, job growth, higher productivity, increased wages going on in Mexico and still have some pressures to migrate illegally, you know, during a period where the restructuring of the Mexican economy takes place.

Mr. REYNOLDS. Thank you, Mr. Chairman.

Mr. KOPETSKI. Mr. Chairman?

Ms. MEISSNER. I mean, I am by no means arguing against NAFTA where immigration is concerned. I am talking about time line.

Mr. KOPETSKI. Thank you, Mr. Chairman.

Ms. Meissner, I want to congratulate you on your appointment. I served on the Judiciary Committee last Congress and on the Immigration Subcommittee, and I appreciate the difficulty of the task you have, both within the agency and the issues that you have to deal with on a broad policy level for our country.

There is an Office of Technological Assessment study, an independent study done on the effects of immigration as a result of NAFTA, and it is just as Ms. Meissner suggests, that short-term there isn't much, if any, impact on immigration, but long-term it is going to slow the immigration, illegal immigrants into the United States. One basic reason is because we eliminated the maquiladora program, the free trade zone up along the border, so that there are no incentives for a company just as located on the border.

In fact, what the Mexican Government is trying to do is get the companies to locate more where the people are, and therefore, they won't be come out of the hills of Oaxaca or even Mexico City and migrating next to the United States and seeing that the grass is greener there.

The other major reform that is going on in Mexico has to do with farmers and support, eliminating the support payment system that they have and going to direct help to the farmers so that they can stay on the land. All of this takes time to implement so that you stem that flow of people moving, as you say, for economic reasons.

This last July while in New York City to help nominate the President, I took the time to go out to Ellis Island, which has a fantastic museum today of the history of Ellis Island and immigrants

into our country. And it is very startling, because one of the walls has all the political cartoons of the day 100 years ago, 60 years ago, and it is the same—I don't think we have progressed as a country. Maybe the cartoons have gotten worse, as well. Because we are talking about the same thing, that these immigrants are taking our jobs, they are costing our communities money, you know, we are going to fall apart as a nation.

And this was directed at the Poles and the Germans and a lot of the Eastern Europeans, my heritage, coming to this country, and I know that immigrants built this country. I mean I think you don't find any better workers, any more industrious people than somebody, whether they are illegal or legal; their status, it doesn't matter to them, they are here to make a better life for themselves and their family.

While on the Immigration Subcommittee, I took the opportunity to tour refugee camps in Asia, and I think what a lot of people forget is that it is the foreign policy of the United States in large part that causes immigration. If you look at Hong Kong today and who are in the camps, in just the most despicable living conditions, they are Vietnamese, and they are Vietnamese who sided with the United States in the war in Vietnam.

And then you go to northern Thailand and you see the Hmong, Laotians living there. They can't go back into their country; some of them have gone back today finally. But a lot of those immigrated to the United States because they were some of our best allies, our best allies during the Vietnam War, and they had to leave their country, or they would die.

And some of them, yes, we have an immigration—had an immigration program for them, they went to California, they went to Minnesota, they went to my State of Oregon. It is the same situation.

I mean President Bush invited the Kurds, encouraged them to take up arms against Saddam Hussein, and they stood up and they got shot down and we left. I mean we have caused 500,000 Kurds to move north into southeastern Turkey, and the United States and the world, the populace say we have to do something, we have to help these people. So we bring them into this country and then all of a sudden they get here and we say well, we have to do something about the illegal immigration problem in this country.

We kind of go around and around on this stuff, and the fact is, these are the kind of people I think that make very good Americans.

Ms. MEISSNER. Well, I think it goes to a point that I tried to make earlier. There are serious distinctions to be made among the groups of people who are coming to the United States. There absolutely are the refugees which are, as you point out, very much an extension of foreign policy and a legacy of foreign policy decisions made over decades, you know.

There are illegal immigrants, the majority of whom are relatives of U.S. citizens. And then there are people we bring, because they have skills, for their contributions to the economy. And then there are illegal immigrants.

I think illegal immigration is something we have to be concerned about and something that has to be strongly resisted, but legal immigration is very different from illegal immigration.

Mr. KOPETSKI. It is, and I think we ought to continue to make that distinction. But the fact is I think the one basic benefit we do provide to the illegal immigrants is emergency health care, and people attack that; and I get about 20 to 30,000 migrant workers in my district for about 6 months of the year, and probably half of those are illegal.

But I think it is the humanitarian thing to do to provide health care service to a person regardless of where they are. But I will tell you also it is in the best interests of the community, because with hepatitis and other kinds of contagious diseases out there, we don't want these people to go untreated. It is in our own self-interest, if nothing else, to provide health care services and other kinds of services for these individuals.

Ms. MEISSNER. Well, that is often what this discussion comes down to is what initially looks like something that should be punitive where the alien is concerned in fact turns out to be a matter of our own self-interest; and the public health dimension of disease is a fine example.

Mr. KOPETSKI. Thank you.

Thank you, Mr. Chairman.

Chairman FORD. Commissioner Meissner, let me thank you once again for your testimony before the subcommittee.

The subcommittee would like to call the under secretary of the California Health and Welfare Agency, Ms. Theresa Parker. Would you take a seat to my far right, along with Ms. Joyce Vialet, specialist in immigration policy, education and public welfare for the Congressional Research Service? Would you be seated right next to her, please?

Then I would like to have Mr. Frank Bean, University of Texas at Austin, Ashbel Smith, professor of sociology. I would like to have Michael Fix, director of the Immigrant Policy Program from The Urban Institute right next to Mr. Bean; Mr. David Simcox, senior fellow for the Center for Immigration Studies; and Mr. Charles Wheeler, directing attorney for the National Immigration Law Center in Los Angeles, Calif.

Let me see if we have the nameplates right.

Ms. Parker, the Chair will recognize you first and then Ms. Vialet; then we will go in the order that I have called the other panelists to the witness table.

Thank you very much, Ms. Parker. We are delighted to have you and the other witnesses who will be testifying on this panel today; we look forward to your testimony.

We would also ask that you take questions after you finish your testimony from members of this subcommittee.

Ms. Parker, the Chair recognizes you at this time.

STATEMENT OF THERESA A. PARKER, CHIEF DEPUTY DIRECTOR, DEPARTMENT OF FINANCE, AND UNDER SECRETARY, HEALTH AND WELFARE AGENCY, STATE OF CALIFORNIA

Ms. PARKER. Thank you, Chairman Ford and members. I am Theresa A. Parker. I would like to correct the record. My testimony notes me—

Chairman FORD. Ms. Parker, could I interrupt just 1 minute. Let me say to all of the witnesses that your full text will be made a part of the record and we ask that witnesses limit their testimony to 5 minutes to give us an opportunity for questions. Thank you.

Ms. PARKER. Thank you, Mr. Chairman. My name is Theresa Parker. I would like just for the record to correct my testimony. Since my testimony was put together, I have been named the chief deputy director of the State Department of Finance in California. However, I am on loan and serving as the under secretary of the Health and Welfare Agency.

Chairman FORD. What is that title again, so we can make note of it in the record?

Ms. PARKER. I am the chief deputy director of the California State Department of Finance.

Chairman FORD. All right. Thank you very much, Ms. Parker.

Ms. PARKER. Thank you for the opportunity to discuss the impact of immigration on public assistance programs administered in our State of California.

As you have noted, Mr. Chairman, in your committee announcement for this hearing, immigration is a sensitive and emotional issue. My remarks and my written testimony are meant to provide educational information to essentially provide the facts of how Federal immigration policies are impacting our State.

Our Nation has been founded by immigrants with the diversity and culture of many countries. Our State has been identified as one of the most demographically diverse States in our Nation; in fact, in the year 2002 our State will no longer have a majority of any race or ethnicity.

I think it is interesting to talk about this because it really sets the stage about how California has been disproportionately impacted by immigration issues in recent years.

I want to note that it is important in my comments that we essentially talk about immigration impacts in the recent years because the immigration patterns of the last decade have been substantially greater on our State than they have been, as far as immigration issues in previous years. And that is really for three reasons.

First, immigration has been at historically unprecedented levels of people coming into this country.

Second, immigrants, both legal and illegal, are locating disproportionately in relatively few States. In fact, about 85 percent of all illegal immigrants are in five States.

And third, unlike previous waves of immigration, the Federal Government now provides for mandates that immigration services—services be provided to immigrants that are eligible for public assistance and service programs that heretofore in previous waves of immigration were not required upon States.

These resettlement patterns and Federal mandates have State and local government impacts that are massive, and our ability to assimilate these newcomers into our society is being severely compromised. Sort of to frame this, let me talk about the wave of immigration by several categories nationally and in the past on California.

Nationally, the number of refugees since the 1975 law is about 1.6 million. California has 600,000 of them or 38 percent. Illegal immigration in our Nation is estimated to be about 4 million; California has 50 percent, over 50 percent, or 2.1 million. And since the Immigration and Control Act of 1986, amnesty aliens have been granted legal status in the numbers of 3 million; California has 53 percent or, 1.6 million.

This means of the 8.6 million immigrants that have come into this Nation through those programs or illegally, California has half of them residing in California.

If you were looking at how that was presented proportionately among all States, we should only have 1 million, not 4.3 or .5. We would need to have a population in excess of 220 million to our current 31 million, in order to have the same proportion of immigrants if they were—if they were equally proportioned among all States, based upon population with the rest of the Nation. And it is interesting to note that in California our population rates are continuing to grow about 2 percent annually.

But primarily this immigration—this growth is related to immigration, growth of foreign immigrants. If we did not have foreign immigration, we would essentially have a net decline in growth in our population in California.

How does this relate to costs in our program? Aid to Families with Dependent Children is a cash benefit program of which we have 2.5 million persons served annually in California at a cost of over \$6.1 million. Thirteen percent of our caseload are refugees or children of refugees. The cost of these refugees and their children, if we are looking at the entire number that have come to California since the Refugee Act was passed, would be about \$413 million annually.

However, if we were being paid for just the amount that we are entitled to under the Refugee Act of 1980, that would be about \$81 million. Unfortunately, California has received no funding under the Refugee Act for the last 4 years.

Even though our refugees are declining, citizen children of illegal immigrants is on the rise in California. Citizen children is the fastest growing portion of our caseload; in 1988, it was 2.4 percent of persons aided. Currently, it is 6.8 percent of persons aided; and it actually is about 16 percent of all new cases added of our caseload now, and 30 percent of this growth has happened in the last 2 years.

I think a startling example of how astronomical this is in California is if I have 25 flags of 25 States in front of me on this table and I lifted any one of those States, our citizen children caseload in California is greater than the entire AFDC caseload in any 1 of those 25 States.

Some may ask why is citizen children caseload so great. I would point out, even though it is not in the purview of this committee,

but 40 percent of the births in our Medicaid Program are the result of births to women who are illegal.

The IRCA Amnesty Program has also an impact on our AFDC caseload; as people convert from their 5 years, that is estimated to cost \$77 million in our State alone this year. In addition, we have the children of people who have gone through the IRCA Amnesty Program that are citizens of those—of people going through the amnesty program, and they roughly equate to about \$152 million a year.

The total cost to AFDC alone, in our State, in 1 year from Federal immigration policies for refugees, IRCA amnesty aliens and their children, and the children of citizen children of illegals is almost \$900 million.

In addition, our program for the aged and disabled, SSI/SSP, also provides services to refugees and IRCA aliens. In 1987, refugees that were SSI/SSP eligible were about 33.4 percent of our caseload, or about \$64 million. This year they are about 6 percent of our caseload, costing over \$184 million.

Again, this is a program—although we were promised Federal dollars, we have not received any Federal dollars for those people who have been under the refugee resettlement program under the 3 years of the program. We have seen no Federal dollars in recent years at all.

The growth in SSI/SSP really has been primarily related to three areas: aging parents, aunts and uncles, and already resettled refugees. California has a majority of refugees who have been former Vietnamese political prisoners, many with disabilities stemming from mental health issues, and a higher percentage of those people who are under the program that are aged and therefore eligible as aged SSI/SSP recipients.

IRCA amnesty aliens who have completed their 5-year window of eligibility are now coming over to our rolls and at State cost, and they—their costs are over \$35 million a year.

The final social services program where we have costs in our State related to immigration issues is general assistance. Now, this is a program that is 100 percent borne by our counties, but it is an impact, in that sense, to our State taxpayers; and that is \$20 million annually for over 5,000 refugees per month.

In summary, the costs for AFDC and SSI individuals who have come into our country as refugees, IRCA amnesty aliens who have immigrated who are now eligible to be permanent residents and their citizen children and the citizen children of illegal aliens are costing our State over \$1.1 billion. That does not include \$763 million of health costs associated with many of these same individuals, nor does it reflect the \$1.4 billion costs for incarceration or education for illegal felons or citizen children.

I do not know if \$8.6 million is a reasonable number for our Nation of 250 million population to have to immigrate to this country, but I do know that 4.3 million—4.3 million of individuals to our 31 million population is beyond our ability to assimilate in our State without Federal help.

California cannot address or solve these issues by itself. Action must originate here in Washington. In that regard, in closing, I ask the committee to be mindful of three things:

One, we need to have you support and exercise the laws of the land to gain control of our borders;

Second, we need you to honor the unspoken obligation that follows your decisions with financial support; and

Third, we need you to look for true alternatives to nationalize the resettlement patterns of Federal immigrant policies so that assimilation is commensurate with a population's ability to absorb these newcomers.

Again, the current pattern, 85 percent of all illegal immigrants in our State cannot be resolved by having five States alone assimilate these individuals.

Thank you.

Chairman FORD. Thank you.

[The prepared statement follows:]

TESTIMONY BY THERESA A. PARKER

UNDERSECRETARY, HEALTH AND WELFARE AGENCY

STATE OF CALIFORNIA

Given to:

SUBCOMMITTEE ON HUMAN RESOURCES

COMMITTEE ON WAYS AND MEANS

November 15, 1993

Chairman Ford, Members, I am Theresa Parker, Undersecretary of the Health and Welfare Agency for the State of California.

I am here today to discuss the impact of immigration on the public assistance programs administered in California.

California has long been identified as the most demographically diverse state in the Union. We believe that our population diversity contributed to our state's vitality and positive self-image. Our ability to assimilate our immigrant population has been strained in recent years by extremely large numbers of individuals coming to California and an almost complete absence of federal support in our efforts. I must remind you that the immigrants arriving in California come to our state as a result of federal, rather than state, policy decisions.

We recognize this is a nation of immigrants; that immigrants have, over time, revitalized and energized our country. I have seen reports that suggest that the nation's immigration experience over the last decade is not extraordinary; that both in terms of numbers and diversity it fits within our historical patterns. These reports conclude that, from a national perspective, the assimilation of these immigrants should be no more difficult than in the past, and the benefits historically associated with immigration will again be realized with our most recent immigrants.

I wish to take issue with this assertion. Our current immigration experience differs with our past national immigration patterns in ways that have profound effects on state and local government.

First, the current immigration population includes an unprecedented number of individuals who have come here illegally. Arriving in numbers that rival our total planned legal immigration quotas, this population presents a new set of issues for our country. Second, current arrival and resettlement patterns show that immigrants are predominately locating in relatively few states and localities. This means immigration is a significant concern in some states and a virtual non-issue in

others. Third, unlike the situation for earlier waves of immigration, the federal government now mandates that immigrants be eligible for most public assistance and services programs. These programs carry a required state and local fiscal commitment. This has created a whole set of new governmental obligations for state and local taxpayers that did not exist in the past.

The present resettlement patterns and the new state/local fiscal obligations have combined to create vastly disparate impacts in the various states in terms of immigration issues and costs. In particular, the disproportionate impact of federal immigration policies, federal program mandates and the rising tide of illegal immigration has hit California more severely than any other state. Our state and local costs associated with this impact are extensive and our ability to assimilate newcomers is being compromised.

To help frame this for the Committee I would like to provide some overview figures. Of the approximately 1.6 million refugees admitted to the United States since 1975, approximately 600,000, or 38 percent, reside in California. Of the estimated four million illegal immigrants residing in the United States, nearly 2.1 million, or 52 percent, reside in California. Of the approximately three million illegal immigrants granted amnesty under the 1986 Immigration Reform and Control Act, 1.6 million, or 53 percent, reside in California.

What this means is that, of the approximately 8.6 million persons these groups account for, one half, or 4.3 million, reside in California. An equitable national distribution of the 8.6 million immigrants described above would result in just over one million living in our state. Stated another way, if the rest of the nation reflected California's immigration situation, the numbers in the categories I have mentioned would total nearly 36 million persons nationally. California's population would have to be 220 million for our state to have the same ratio between our immigrant population and our supporting and assimilating non-immigrant population than the rest of the nation enjoys.

Further, this reality does not show any signs of changing. California's percentage of foreign born in our population is pushing past 22 percent, nearly 1.4 times the percentage of the next state, New York. The percentage in our major urban areas is considerably higher. This is particularly true in Los Angeles where a University of Michigan study showed nearly 40 percent of the population is foreign born and nearly one third have limited English language skills. Students speak more than 100 languages in the Los Angeles school system. Also, the immigration influx accounts for more than our state's total population growth. This means that our non-immigrant population is actually declining.

I would like to shift my discussion to the fiscal impact of these figures in terms of program utilization and costs of immigration in California.

AFDC

Our largest public assistance program is the Aid to Families with Dependent Children Program. This program currently provides monthly cash benefits to nearly 2.5 million persons in California at an annual cost of over \$6.1 billion.

Nearly 13 percent of these persons are refugees or the children of refugees. To put this in perspective, the number of AFDC recipients this represents exceeds the total AFDC caseload of 38 separate states.

States and local governments should not have to bear the costs of the federal government's refugee resettlement effort. The Refugee Act of 1980 called for three years of full federal funding for refugee resettlement. California has received no federal funding for AFDC eligible refugees for four years. The annualized state AFDC cost estimate for refugees and their children who have been here for less than the three year federal commitment is \$81 million. Our total state cost for all refugee families receiving AFDC will be \$413 million this year.

The percentage of refugees in the AFDC population has been decreasing over the last several years but still represents a considerable cost to California given the elimination of federal support. Our AFDC state costs for refugees and their children for this fiscal year will exceed the total national Refugee Resettlement Budget of \$400 million, a budget which Congress recently decreased by \$20 million from the President's request.

While the percentage of refugees is decreasing in AFDC, children of undocumented aliens comprise the fastest growing portion of California's AFDC caseload. These are children born in the United States to parents who are not eligible for financial assistance because they are here illegally. Representing only 2.4 percent of our aided persons at the beginning of 1988, they will be 6.8 percent by the beginning of 1994. Since July 1988 this single category has accounted for 16 percent of all new aided persons in our caseload. Representing 176,800 aided children now, 30 percent of this number has been added to the caseload in the last two years alone.

This is a direct result of the failure of the federal government to enforce existing federal immigration laws and will cost California \$236 million this year. Again, for perspective, even without the "citizen child" cases of IRCA amnesty parents I will cover shortly, these 176,800 children exceed the total AFDC population in each of 25 separate states.

Also, the five year bar on program participation for IRCA amnesty aliens has expired. California first saw an increase in AFDC caseload attributable to this group last year and current year numbers are almost double last year's experience. This will represent a state cost estimated to be \$77 million.

Some of this increase is the result of parents joining the assistance unit of cases that were already open under our second largest category of "citizen child" cases. These are cases for the children of IRCA amnesty aliens born in the United States who, unlike their parents, were not subject to any bar against AFDC participation. While the overall numbers of this group will decline now that the entire families are eligible, the remaining citizen child cases of this category currently represent approximately 100,000 children and \$152 million in state costs this year.

In summary, the state costs for AFDC grants and administrative costs associated with California's immigrant population will be \$878 million this year.

SUPPLEMENTAL SECURITY INCOME

Under federal mandates, most legal immigrants are eligible to receive Supplemental Security Income/State Supplemental Program (SSI/SSP). Refugees are eligible for SSI/SSP, if all other eligibility criteria are met, immediately following their arrival into the United States. The number of refugees receiving SSI/SSP in California has grown significantly in recent years. The Refugee Act of 1980 called for a full three years of 100 percent federal funding for refugees eligible for this program. This commitment has completely disappeared in recent years.

In July 1987, refugees represented only 3.4 percent of our SSI/SSP population with annual costs of \$64 million to the state. This year the percentage of SSI/SSP cases that were admitted as refugees is expected to reach 6.0 percent of the caseload and result in state costs of \$184 million. We believe that there are several factors that explain this dramatic growth. California continues to receive high proportions of the former Vietnamese political prisoners, many of whom arrive with significant mental health issues needing to be addressed. We also are now receiving the aged parents, aunts and uncles of refugees already resettled in California and increasing numbers of multi-generational families from the former Soviet Union. Many of these refugees qualify for SSI/SSP assistance as aged and they represent a larger proportion of our recent refugee arrivals.

California is also seeing the beginning of SSI/SSP caseload increases due to the expiration of the public assistance bar for IRCA amnesty aliens. First appearing two years ago in our caseload, the current-year state costs for IRCA recipients of SSI/SSP is expected to be \$35 million.

In total, California costs for immigrants who receive SSI/SSP will be \$219 million this year.

GENERAL ASSISTANCE

In California, counties administer general assistance programs, which provide public assistance to indigents who are not eligible for AFDC or SSI/SSP. The counties bear 100 percent of the costs of these programs. Data on these programs are not readily available. In addition, there are substantial differences among counties in program benefits and eligibility rules. I should point out that the counties now serve nearly 5,000 refugees monthly in their general assistance and medically indigent programs at a cost that certainly exceeds \$20 million annually.

SUMMARY

The total state costs for AFDC and SSI/SSP to refugees, IRCA amnesty aliens now eligible as legal permanent residents, their citizen children, and the citizen children of illegal aliens in the current year will approach \$1.1 billion. While I realize that health programs are not the focus of this Committee I would like to also point out that the associated state share of Medicaid costs, also mandated by the federal government, will be an additional \$763 million this year. The costs to California associated with incarceration of illegal aliens and the education of children of illegal alien will be another \$1.4 billion this year.

In closing, Mr. Chairman, some have portrayed California's concerns as nativistic or xenophobic. Please accept my assurances and those of Governor Wilson that we are neither. Californians take pride in our great diversity and recognize the contributions of immigrants to our state's economy and society.

However, the fiscal and societal impact of federal immigration policy on California is quite real and must be addressed. I do not know if 8.6 million persons is a reasonable number for our nation of 250 million plus to accept and assimilate. I am convinced that 4.3 million is too many for our single state of 30 million to assimilate effectively, and certainly the costs of doing so are beyond our capacity to absorb without federal help.

I am also convinced that our existing assimilation ability is hamstrung by federal practice that ignores our immigration laws by permitting an unchecked flow of illegal immigrants into our country, particularly when over half of this population enters and resides in California.

Further, I am convinced that this problem is exacerbated by the almost total failure of the federal government to support its legal immigration decisions with federal funds to offset the costs of the resultant influx of immigrants. As I have described above, this is a multi-billion dollar annual expense in California at a time when our unemployment is considerably above the national average and both state and local governments are financially strapped to provide basic services to all our residents.

A recent survey in an Assembly district centered in Whittier, a city in Los Angeles County, revealed that 95 percent of respondents felt that California has an immigration problem and 98 percent called for stricter border control. These are distressing figures for a state historically known for tolerance and acceptance of the foreign born. But, Mr. Chairman, they are reflective of the general public's view in California. Unfortunately, California cannot address or solve these issues by itself. Action to do that must originate here. California asks that the Congress do the following:

- o First, support and exercise the law of the land to gain control of our own borders. Any assimilation support will be very limited if the source of the burgeoning numbers we face is not addressed. Illegal immigration is against the law. Further, as Governor Wilson has pointed out, the public's negative reaction to the perceived and real impacts of illegal immigration will spill over to those immigrants and refugees who have come here legally.
- o Second, honor the unspoken obligation that follows your decisions with financial support. Immigration policy is the sole jurisdiction of the federal government. With that authority should come the responsibility to recognize and support the ramifications of those decisions with funding for assistance and services to transition and assimilate legal immigrants.
- o Third, look for all alternatives that truly nationalize the resultant resettlement patterns of federal immigration policies so that the assimilation is commensurate with the populations ability to absorb the newcomers. The current patterns, which have 85 percent of all illegal immigrants residing in five states, cannot continue.

Thank you for your consideration of our concerns.

Chairman FORD. Ms. Vialet.

STATEMENT OF JOYCE C. VIALET, SPECIALIST IN IMMIGRATION POLICY, EDUCATION AND PUBLIC WELFARE DIVISION, CONGRESSIONAL RESEARCH SERVICE, LIBRARY OF CONGRESS

Ms. VIALET. Good afternoon, Mr. Chairman and members of the subcommittee. I am Joyce Vialet with the Congressional Research Service. I am going to discuss alien eligibility for Federal assistance programs. I will briefly summarize the conditions under which various categories of aliens may or may not participate in Federal assistance programs, and I will also briefly discuss the origins and purpose of some of the restrictions on alien eligibility for the major programs.

Summarizing briefly—and I will return to this—aliens who are lawful permanent residents or who are otherwise legally present on a permanent basis—for example, refugees—are generally eligible for Federal benefits on the same basis as are U.S. citizens.

On the other hand, with the single exception of emergency Medicaid, undocumented aliens are specifically barred by law from participation in all the major Federal assistance programs, as are tourists and most other aliens here legally on a temporary status.

There are other income, health, education, and social service programs for which undocumented or illegal aliens—and the terms are synonymous—may be eligible since these programs' requirements do not include specific provisions regarding alien status. Such programs include, for example, the Special Supplemental Food Program for Women, Infants, and Children, WIC; earned income tax credits, EITC; migrant health centers; and the school lunch program. There is no uniform rule governing which categories of aliens are eligible for Federal benefits and no single statute where the different eligibility requirements are described. Generally speaking, the alien eligibility requirements are set forth in the laws and regulations governing the individual Federal assistance programs, rather than the Immigration and Nationality Act, which is the basic immigration law. However, there are exceptions.

Separate eligibility rules for refugees and legalized aliens in the immigration laws make refugees temporarily eligible for more benefits than immigrants and bar legalized aliens from some Federal assistance programs for 5 years.

The different legal classifications of aliens, such as immigrants, nonimmigrants and refugees, are defined by the Immigration and Nationality Act; and again there is an important exception. The designation of aliens as permanently residing in the United States under color of law, commonly referred to by the acronym PRUCOL, originated in the enabling legislation for the Federal assistance programs rather than the immigration law.

The PRUCOL standard has not been defined by statute. It encompasses refugees, asylees, and other classes of aliens granted permission by INS to remain here indefinitely.

Until the early 1970s, Federal laws funding State and local assistance programs contained no eligibility restrictions based on immigration status. State governments enacted laws denying various benefits under their programs to some aliens—for example, to im-

migrants based on length of residence. However, in 1971, in a landmark decision, *Graham v. Richardson*, the U.S. Supreme Court declared these State restrictions to be unconstitutional.

Beginning in 1972, Federal statutory and regulatory alien eligibility criteria were established for the four major Federal assistance programs: AFDC and Medicaid, which are Federal/State matching programs; and SSI and food stamps, which are basically Federal programs.

In addition to meeting the financial need and family structure criteria applicable to U.S. citizens, noncitizens are required either to be lawfully admitted for permanent residence—that is, immigrants—or otherwise permanently residing in the United States under color of law, or PRUCOL. In part because of vagueness of the PRUCOL standard, the food stamp legislation was amended in 1977 to specify categories of eligible aliens.

The Federal alien eligibility criteria were adopted during the 1970s with the intent of barring participation by nonimmigrants, and particularly by undocumented aliens, who began to be a concern in the early 1970s.

At the present time, undocumented aliens are specifically barred by law from AFDC, SSI, food stamps, Medicaid except for emergency conditions, legal services, job training assistance, unemployment compensation, and postsecondary financial aid. As passed by the Senate on November 5, 1993, the Exon amendment barring payment of Federal benefits to illegal aliens would continue their eligibility for emergency Medicaid.

As I noted earlier, the eligibility criteria for the major programs generally permit the participation of aliens lawfully admitted for permanent residence, commonly referred to immigrants or "green card holders." However, there is a restriction in the case of so-called "sponsored immigrants."

The immigration law requires that immigrants establish that they will not become a public charge after entry. A principal way of meeting this requirement is by means of an affidavit of support signed by a U.S. sponsor.

In response to concerns in the early 1980s about the difficulty of enforcing affidavits of support and because of a belief that some newly arrived immigrants were abusing the U.S. welfare system, legislation was enacted limiting the availability to sponsored immigrants of SSI, AFDC, and food stamps. The enabling legislation for the three programs was amended to provide for the purpose of determining financial eligibility for 3 years after entry, immigrants are deemed to have some portion of the income and resources of their immigration sponsors available for their support. As you know, a temporary extension of this provision to 5 years for the SSI Program is under consideration.

In closing, I would like to note that Larry Eig and I have summarized the alien eligibility for various Federal assistance programs in our prepared statement. The summary is contained in a chart which begins on page 12.

Mr. Chairman, this concludes my remarks. I would be happy to answer questions.

Chairman FORD. Thank you very much.

[The prepared statement and attachment follow:]



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Statement prepared for the
Subcommittee on Human Resources
House Committee on Ways and Means
November 15, 1993

By Joyce C. Vialet
Specialist in Immigration Policy
Education and Public Welfare Division

Larry M. Eig
Legislative Attorney
American Law Division

ALIEN ELIGIBILITY REQUIREMENTS FOR MAJOR FEDERAL ASSISTANCE PROGRAMS¹

INTRODUCTION

Over the last 60 years, Congress has enacted numerous social programs that provide benefits to eligible individuals through direct assistance to individual recipients or through Federal funding of State programs that meet specified Federal criteria. During the 1970s, Congress began restricting eligibility for benefits under many of these programs on the basis of an individual's status under immigration law. Those programs that have alien eligibility requirements generally allow some but not all aliens in the United States to receive benefits under them. Aliens who are lawful permanent residents (*i.e.*, immigrants) are entitled to most types of benefits that are available to citizens. Aliens admitted temporarily as nonimmigrants and those in the United States illegally generally are denied benefits.

When establishing social programs, Congress does not always differentiate between citizens and aliens or among classes of aliens in setting eligibility requirements. Many statutes that authorize income, health, education, or social service programs contain no specific provisions on alien status. Programs without specific provisions regarding alien status include, for example, the special supplemental food program for women, infants, and children (WIC), the school lunch program, earned income tax credits (EITC), migrant health centers,

¹ This statement is adapted from U.S. Library of Congress Congressional Research Service. *Alien Eligibility Requirements for Major Federal Assistance Programs*. CRS Report for Congress No. 89-435 EPW, by Joyce Vialet and Larry Eig. Washington, Aug. 1, 1989. An updated version is forthcoming.

and social services block grants. On the other hand, Congress at times has created refugee assistance and other programs specifically limited to certain classes of aliens.

When Congress has enacted alien eligibility standards under various assistance statutes, it has not used a single, uniform standard. Also, Congress has made one class of aliens--those "permanently residing [in the United States] under color of law" (PRUCOL)--eligible for benefits under several major programs without ever having defined the class in statute.² In the absence of a uniform definition, the PRUCOL standard has varied somewhat from program to program. Further complicating the process of determining alien eligibility are the various eligibility rules that are set out in immigration law apart from the alien eligibility rules set out under the assistance statutes themselves. For example, Congress has enacted separate eligibility rules in the Refugee Act of 1980, the Immigration Reform and Control Act of 1986, and the Immigration Act of 1990 that govern new immigration statuses added to the Immigration and Nationality Act by those laws.

This statement explains the classification of aliens in the United States and the development of benefit eligibility standards that apply to them. Eligibility standards for each of selected Federal benefit programs that have alien eligibility requirements are summarized in an appendix. These programs include major health, income, and education programs, as well as others of particular interest with regard to aliens.

LEGAL CLASSIFICATION OF ALIENS

In decisions dating back to the 19th century, the U.S. Supreme Court has ruled that the Federal Government has exclusive authority to determine which aliens may enter or be expelled from the United States. The statute currently regulating the entry and expulsion of aliens is the Immigration and Nationality Act of 1952 (INA), as amended (8 U.S.C. §§ 1101 *et seq.*). The INA creates two broad classes of legal aliens. The first class is *immigrants*, or aliens who have been lawfully admitted for permanent residence here. Aliens in this class often are popularly referred to as green card holders. The second class is *nonimmigrants*, or aliens who have been admitted for a temporary stay here in order to fulfill a specific purpose. Tourists, students, business visitors, and diplomats are among the categories of nonimmigrants.

Aside from INA procedures for the admission of immigrants and nonimmigrants, there is an abundance of other statutory and administrative authority under which aliens may stay here. One provision of the INA permits

² The alien eligibility criteria under the Clinton Administration's national health care plan consist in part of a specifically defined "permanently residing under color of law" standard. Though this defined standard permits the National Health Board to include classes of aliens other than those specifically listed in the definition, the health plan defines PRUCOL more narrowly than that term is construed under other Federal programs that use it.

the Attorney General to parole aliens into the United States temporarily. Other aliens are here in a humanitarian status based on conditions abroad. For example, to provide relief for aliens who face persecution in their homelands, the Refugee Act of 1980 established *refugee* status, which permits certain aliens to enter from abroad, and *asylee* status, which allows certain aliens already here to remain.³ Refugees and, at a slower rate, asylees both may adjust their status to permanent residency after a transitional period. The Immigration Act of 1990 added *temporary protected status* (TPS) as an additional humanitarian category. This status broadly provides temporary safe haven for aliens from countries that have been designated as suffering from armed conflict, natural disaster, or other extraordinary conditions. TPS status does not provide any special ability to adjust to a more permanent status.

The large majority of aliens who become lawful permanent residents enter or adjust their status under the general immigrant admission system in the INA. However, the Immigration Reform and Control Act of 1986 (IRCA) instituted legalization programs for long term undocumented residents--aliens living in the United States in an undocumented status since January 1, 1982--and special agricultural workers (SAWs)--aliens who performed at least 90 days of seasonal agricultural labor in the United States during the year ending May 1, 1986.⁴ Aliens who legalized under IRCA were made ineligible for certain benefits for a 5-year period beginning on the date of their change in status. The application periods for the legalization and SAW programs have long since lapsed, and the 5-year period during which participants were made ineligible for certain benefits is also lapsing accordingly. However, eligibility for legalization status still is being challenged before the courts.⁵ If these lawsuits are successful, a number of additional aliens eventually may qualify.

The IRCA legalization programs granted immigration relief to qualifying aliens without providing concomitant relief for their close family members. The precarious position of close family members living here without permission was alleviated statutorily in the family unity provisions of the Immigration Act of 1990. This relief permits the spouses and unmarried children of aliens

³ Even if an alien here is not granted asylum, the alien still may possibly have his or her deportation withheld based on prospective persecution at home under a separate provision of law, though this remedy does not include an opportunity to adjust to permanent residency.

⁴ IRCA further contained a replenishment agricultural worker (RAW) program, available during fiscal years 1990 through 1993, authorizing the legalization of additional numbers of agricultural workers upon a determination that a shortage of seasonal agricultural workers existed. However, no shortage of workers was ever found.

⁵ The Supreme Court held in June 1993 that further litigation at the trial court level was necessary before certain jurisdictional issues could be determined. *Reno v. Catholic Social Services, Inc.*, ___ U.S. ___, 61 U.S.L.W. 4652 (June 18, 1993).

participating in the IRCA legalization programs to remain and work here without being deported if they have been residing in the United States as spouses or unmarried children of legalization aliens since May 6, 1988. Unlike aliens participating directly in the legalization programs, aliens falling under family unity coverage enjoy no special provisions for adjustment to permanent resident status.⁶

In addition to aliens in the categories already discussed, many other aliens are allowed to remain in the United States, at least temporarily, even though they are not in a regular immigration status. For example, aliens who apply for political asylum are allowed to remain until the government acts on their applications, and these aliens may work here legally if their applications are not frivolous. There also are other aliens in the United States who are known by the government to be undocumented or who have been found to be deportable but whose departure the government does not contemplate enforcing for one of a variety of reasons.

Finally, there are the undocumented aliens here in violation of immigration law for whom no relief or legal recognition has been extended.

DEVELOPMENT OF ELIGIBILITY STANDARDS

Prior to 1972, Federal statutes partially or wholly funding State and local benefit programs contained no eligibility restrictions based on citizenship or immigration status. Instead, State governments were permitted to establish citizenship and alien residency requirements for participation in their programs. A number of States enacted laws denying various types of public assistance to all aliens or to legal aliens who had not resided in the United States for a fixed number of years. However, in 1971 the Supreme Court declared these State imposed restrictions unconstitutional in *Graham v. Richardson*,⁷ both because they violated the Equal Protection Clause of the 14th amendment and because they encroached upon the exclusive Federal power to regulate immigration.⁸

⁶ Section 112 of the Immigration Act of 1990 does make a certain number of immigrant visas available to family unity aliens during fiscal years 1992-1994.

⁷ 403 U.S. 365 (1971).

⁸ In 1982, the Supreme Court held on equal protection grounds in a 5-4 decision that the State of Texas could not deny elementary education to undocumented alien residents. *Plyler v. Doe*, 457 U.S. 202 (1982). In doing so, the majority noted that Congress had no statutory policy on the issue and stated that "the exercise of congressional power might well affect the State's prerogatives to afford differential treatment to a particular class of aliens." *Id.* at 224. The majority also stated that the illegal nature of the presence of undocumented aliens is not "constitutionally irrelevant." *Id.* at 223.

The Supreme Court stated in a footnote to the *Graham* opinion that it had no occasion at that time to decide whether Congress, in the exercise of the Federal immigration and naturalization power, could enact statutes imposing residency requirements on aliens as a condition of federally funded benefits. That issue was addressed in 1976 when the Court in *Mathews v. Diaz*⁹ approved a congressionally imposed 5-year residency requirement for alien participation in the Medicare Supplementary Insurance (part B) program. In upholding the residency requirement, the Court declared that it is "obvious that Congress has no constitutional duty to provide *all aliens* with the welfare benefits provided to citizens." According to the Court, Congress may draw distinctions among aliens in providing benefits so long as the distinctions are not "wholly irrational."

Responding to the overturning of State imposed restrictions in *Graham v. Richardson*, the Department of Health, Education and Welfare (the predecessor to the Department of Health and Human Services) proposed regulations during June 1972 that would have made immigration status irrelevant in determining eligibility under the Aid to Families With Dependent Children (AFDC) and Medicaid programs. The public response was strongly against these proposed regulations because they would have granted assistance to aliens who had not been lawfully admitted to the United States. Reasons for the objections included the beliefs that the *Graham* decision was not applicable to illegal aliens, that caseloads would be increased beyond the fiscal capability of the States, and that assistance to illegal aliens should be entirely financed federally because of the Federal Government's responsibility for immigration and naturalization.

While the AFDC and Medicaid regulations were still pending, Congress established a statutory alien eligibility requirement for the new Supplemental Security Income (SSI) for the Aged, Blind and Disabled program.¹⁰ Assistance under that program was limited to U.S. residents who either were (1) citizens or (2) aliens lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.¹¹ Withdrawing its earlier proposal, HEW then followed the congressional lead by adopting the statutory SSI standard administratively for AFDC and Medicaid.¹² In 1981,

⁹ 426 U.S. 67 (1976).

¹⁰ Social Security Amendments of 1972, Pub. L. No. 92-603, 86 Stat. 1329 (1972).

¹¹ Social Security Act, § 1614, 42 U.S.C. § 1382c. Other categories of aliens who are deemed to be permanently residing in the United States under color of law for SSI purposes subsequently were listed in regulation. See 20 C.F.R. § 416.1618(b) (1993).

¹² 38 Fed. Reg. 30,259 (1973).

Congress enacted an alien eligibility requirement for AFDC that was virtually identical to the regulatory standard.¹³

Even though a statutory alien eligibility standard was adopted in 1981 for AFDC, the alien eligibility restrictions for Medicaid remained strictly regulatory. On July 14, 1986, a United States district court in New York struck down the regulatory restrictions on the grounds that "Congress knew how to impose alienage requirements on social welfare programs when it intended," thereby potentially opening access to full Medicaid benefits to undocumented aliens. Congressional action followed, and a compromise was struck between those Members who advocated limiting benefits to immigrants and other aliens permanently residing under color of law (PRUCOL), and Members who believed the Federal Government should be fully responsible for the health costs of undocumented aliens. The result was a statutory PRUCOL standard for full Medicaid benefits and universal alien eligibility for emergency services.¹⁴

Aside from aliens lawfully admitted for permanent residence (*i.e.*, immigrants), the eligibility of aliens to participate in SSI, AFDC, or Medicaid has depended on how the "permanently residing under color of law" standard has been interpreted. The governmental providers of benefits under these programs at first construed PRUCOL narrowly to include only those aliens here under certain specific statutory authorizations. The Federal courts, however, disagreed with these narrow interpretations. In *Holley v. Lavine*,¹⁵ the United States Court of Appeals for the Second Circuit held that "under color of law" included both aliens here under statutory authority and those allowed to remain here indefinitely under administrative discretion. Aliens also challenged interpretations of PRUCOL in the context of SSI eligibility. This litigation, *Berger v. Heckler*,¹⁶ resulted in the enforcement of a consent decree, later reduced to regulations, that listed 11 specific categories of aliens falling within PRUCOL. Also included was a general category consisting of aliens residing here with the knowledge and permission of the INS whose forced departure is not being contemplated. The regulations adopted as a result of the consent decree are still in effect, as updated to reflect changes in underlying immigration statutes.

The indefiniteness of the "under color of law" language and concern over Carter Administration proposals to grant amnesty to illegal aliens led Congress in 1977 to amend the alien eligibility requirement for another Federal benefits program--the Food Stamp program. Previously, the Department of Agriculture

¹³ Omnibus Budget Reconciliation Act of 1981, Pub. L. No. 97-35, § 2320, 95 Stat. 857 (1981).

¹⁴ Social Security Act, § 1903, 42 U.S.C. § 1396b. See H. Rept. 99-1012, 99th Congress, 2d Session, October 17, 1986, pp. 399-400.

¹⁵ 553 F.2d 845 (2d Cir. 1977).

¹⁶ 771 F.2d 1556 (2d Cir. 1985).

had adopted an alien eligibility requirement for food stamps identical to that for SSI, AFDC, and Medicaid. However, with passage of the Food Stamp Act of 1977,¹⁷ Congress replaced the PRUCOL language with an exclusive and restrictive statutory list of classes of eligible aliens. The accompanying House report indicated that the intent of the statutory list was "to eliminate the possibility that a Presidential pardon of potentially millions of illegal aliens would render them eligible for food stamps or that judicial stays of deportation, whether wholesale or individualized, would permit illegal aliens to participate."¹⁸

Most alien eligibility requirements for Federal benefits programs have been aimed at denying participation by nonimmigrant and undocumented aliens, rather than at limiting participation by immigrants, or permanent resident aliens. By the late 1970s, however, some newly-arrived immigrants were beginning to be viewed as abusing the benefits system.¹⁹ The result of this perception was the enactment of legislation limiting the availability of SSI, AFDC, and food stamps to certain new arrivals for a temporary period. As background, the INA provides for the exclusion of any alien who is "likely at any time to become a public charge."²⁰ Unless waived, as in the case of refugees, this ground of exclusion applies (as do other grounds) whenever an alien seeks admission into the United States or seeks to adjust immigration status while in the United States to permanent resident status.²¹ Under administrative practice, an alien may overcome this ground for exclusion by showing sufficient

¹⁷ Pub. L. No. 95-113, 91 Stat. 966.

¹⁸ H. R. Rep. No. 95-464, 95th Cong., 1st Sess. 148 (1977).

¹⁹ U.S. Comptroller General. *Number of Newly-Arrived Aliens Who Receive Supplemental Security Income Needs to be Reduced*. Washington, General Accounting Office, 1978.

²⁰ INA, § 212(a)(4), 8 U.S.C. § 1182(a)(4). The INA also provides for the deportation of an alien who has become a public charge within five years after entry, unless the reasons for this are affirmatively shown to have arisen after entry (Sec. 241(a)(5)). This ground has been interpreted more narrowly than the comparable ground for exclusion. According to various administrative and judicial decisions, in order for an alien to be deportable under the public charge provision, there must be a legal obligation to repay for services or benefits provided, a demand for payment, and a refusal or omission to pay. These conditions are not generally present in cases where an alien legally participates in public service or benefit programs, and, therefore, acceptance of benefits under them does not expose an alien to potential deportation.

²¹ See, e.g., INA, §§ 212, 245, 8 U.S.C. §§ 1182, 1255. Under the legalization provisions enacted in IRCA, the public charge ground may be modified but not waived for adjustment to permanent resident status under the general legalization or SAW programs. INA, §§ 210(c)(2), 245A(d)(2), 8 U.S.C. §§ 1160(c)(2), 1255(d)(2).

personal resources, an offer of a job with adequate compensation, or an affidavit of support submitted by a U.S. resident. Even though an affidavit of support requires a sponsor to swear to the ability and willingness to contribute to the prospective immigrant's support, these affidavits have generally not been regarded as directly enforceable by a governmental agency that subsequently provides assistance to the immigrant after entry.

In response to congressional concern about the difficulty of enforcing affidavits of support, Congress enacted legislation in the early 1980s restricting the availability of SSI and AFDC benefits and food stamps for certain immigrants who have met the public charge requirement for entry by means of an affidavit or equivalent document. The enabling legislation for each of these programs was amended to provide that for the purposes of determining eligibility for participation, an immigrant (other than one who qualified on one of certain humanitarian grounds) entering with an agreement by a U.S. sponsor to provide financial support is deemed to have part of the sponsor's (and, in most instances, part of the sponsor's spouse's) resources available for his or her support during the first 3 years here.²²

In accordance with these deeming provisions, regulations require sponsors to make financial information available before benefits may be granted during the restricted period.²³ Regulations also state that the income deeming period runs from the date an alien becomes an immigrant in the United States, which may be different from the date the alien first entered the United States. Courts have upheld this position in the context of SSI eligibility.²⁴

Other alien eligibility restrictions arose from the practice by some aliens of working in the U.S. just long enough to earn the minimum number of quarters required for benefits under the social security system before returning to their native countries. It was contended that in these cases the aliens could collect social security benefits for themselves and their dependents for years, the benefits quickly exceeding the relatively small amounts contributed. Moreover, when these departing aliens did not begin a family until returning home, their dependents could receive benefits despite having had no U.S. ties and never

22 At the time this statement was prepared, a proposal to temporarily extend the deeming period for SSI benefits to 5 years was included in a bill (H.R. 3167) being considered in conference.

23 Even though a sponsor's obligations may not be directly enforceable by an agency assisting the sponsored alien, a sponsor may incur joint liability for incorrectly paid benefits under AFDC, SSI, or the Food Stamp program if the overpayment resulted from a failure of the sponsor to provide correct information to the appropriate agency for purposes of the income deeming provisions under those programs.

24 *Digamon v. Sullivan*, 813 F. Supp. 404 (Md. 1993); *Aziz v. Sullivan*, 800 F. Supp. 1374 (E.D. Va. 1992).

having been dependent on the worker's U.S. earnings.²⁵ Consequently, the Social Security Amendments of 1983 imposed prior U.S. residency requirements for alien dependents and survivors living outside the United States.²⁶ Also, the taxable social security benefits of nonresident aliens are subject to a mandatory 30 percent withholding.

The Immigration Reform and Control Act (IRCA) of 1986 amended the INA in part to establish programs for the legalization of the immigration status of eligible aliens. IRCA itself sets forth benefit eligibility rules for aliens participating in these legalization programs. With limited exception, aliens legalizing status under the amnesty provisions for long term residents are barred from receiving many major Federal benefits for 5 years after being granted temporary resident status.²⁷ Seasonal agricultural workers (SAWs) are subject to AFDC and Medicaid restrictions, but otherwise may generally receive assistance on the same basis as permanent residents.

The Immigration Act of 1990 established temporary protected status (TPS) in the INA. In doing so, Congress stated that aliens in TPS are not to be considered PRUCOL aliens, with the intention of limiting their access to Federal assistance. The 1990 Act also provided certain close relatives of aliens who participated in the SAW and legalization programs under IRCA with work authorization and protection from deportation. These family unity aliens are subject to the same restrictions on benefits that apply to their legalized relatives.²⁸

SPECIAL PROGRAMS

As the number of statutory classes of aliens has proliferated, Congress has recognized the special needs of particular alien populations and the associated burden these populations place on State and local resources. In response, Congress has established three fairly limited programs for the needs of particular groups, primarily with the intention of at least partially alleviating the associated burden on State and local governments. Two of these, the Federal refugee resettlement assistance program and the State Legalization Impact Assistance Grant (SLIAG) program, are administered by the Department

²⁵ U.S. General Accounting Office. *Issues Concerning Social Security Benefits Paid to Aliens*. Washington, General Accounting Office, Mar. 24, 1983.

²⁶ Pub. L. No. 98-21, § 340. The statutory provisions on the payment of social security benefits only apply if no treaty exists on the subject with the country where the nonresident is a citizen or is residing.

²⁷ INA, § 245A(h), 8 U.S.C. 1255a(h). The bar on benefits is subject to exception, including exceptions for SSI benefits and for full Medicaid benefits for minors and SSI recipients.

²⁸ 8 C.F.R. § 242.6(f) (1993). See H.R. Rep. No. 101-723, part 1, 101st Cong., 2d Sess. 73 (1990).

of Health and Human Services. The third program, the Emergency Immigrant Education Program, is administered by the Department of Education.

Refugee Resettlement Assistance. The Federal refugee resettlement assistance program provides dependent refugees temporary assistance when they arrive, on the grounds that the admission of refugees is a Federal decision entailing some Federal responsibility. Activities funded by the Department of Health and Human Service's Office of Refugee Resettlement (HHS/ORR) include State-administered cash and medical assistance and social services, private voluntary agency matching grants, targeted assistance for affected areas, and preventive health services.

Special refugee cash and medical assistance has been the heart of the HHS/ORR refugee program. This assistance is available to needy refugees who do not otherwise meet the eligibility standards for major Federal assistance programs.²⁹ Since October 1, 1991, this assistance has been available for 8 months after entry. Cash and medical assistance regularly accounts for well over half of the annual HHS/ORR budget, averaging approximately \$400 million in recent years.

State Legalization Impact Assistance Grants (SLIAG). SLIAG is a temporary impact assistance grant program administered by the Administration for Children and Families within the Department of Health and Human Services (HHS) to help offset the cost of legalization to State and local governments resulting from the two legalization programs created by the Immigration Reform and Control Act (IRCA) of 1986. Approximately 1.7 million pre-1982 aliens and over 1 million special agricultural workers (SAWs) have had their status legalized under these programs.

As stated previously, aliens who legalized as long term residents generally were barred from receiving Federal benefits for 5 years, and SAWs are subject to a 5-year bar on AFDC and certain Medicaid benefits. In large part because of this 5-year bar against participation in Federal programs, IRCA in section 204 created the State Legalization Impact Assistance Grant program to help defray the costs to State and local governments associated with legalized aliens.

As originally enacted, IRCA both authorized and appropriated \$4 billion for SLIAG, to be made available to the States during the 4-year period FY 1988-1991, with the funds to remain available through FY 1994. However, beginning in FY 1990, IRCA was amended to provide for the deferral of funds to subsequent years. Fiscal year 1994 is the final year for which funds are appropriated.

²⁹Refugees who receive special refugee cash and medical assistance generally are ineligible under major Federal assistance programs because they do not live in households that meet the family structure criteria under those programs.

Immigrant Education. To aid local educational agencies to meet the educational needs of immigrant children, the Emergency Immigrant Education Act of 1984³⁰ authorized the Emergency Education program. Under the program, grants are allocated to States based on their count of eligible immigrant children. Immigrant children eligible for services are defined as those children who were not born in the United States, and who have been attending school in the United States for less than 3 complete academic years. Local school districts use immigrant education funds for supplementary educational services. These services include English language instruction, other bilingual services, special materials and supplies, and inservice teacher training.

³⁰ The original provisions of the 1984 Act were subsequently rewritten in 1988 and enacted as title IV, part D of the Elementary and Secondary Education Act of 1965, as amended.

Summary of Alien Eligibility for Selected Programs

Federal programs	Eligible*	Ineligible or restricted
Aid to Families with Dependent Children (AFDC)	Immigrants Refugees/asylees Parolees Other PRUCOL*	Ineligible Undocumented aliens Legalized aliens ^b for 5 years Nonimmigrants ^d Restricted for 3 years ^e Sponsored immigrants ^e
Supplemental Security Income (SSI) for the Aged, Blind and Disabled	Same as AFDC Legalized aliens ^b	Ineligible Undocumented aliens Nonimmigrants Restricted for 3 years ^f Sponsored immigrants ^e
Medicaid	Same as AFDC	Ineligible except for emergency conditions Legalized aliens ^b for 5 years Undocumented aliens Other non-eligible aliens
Food Stamps	Immigrants Refugees/asylees Parolees Aliens with deportation withheld ^g SAW legalized aliens	Ineligible Other PRUCOL Undocumented aliens Pre-1982 legalized aliens for 5 years Nonimmigrants Restricted for 3 years ^e Sponsored immigrants ^e
Legal Services	Immigrants Certain close relatives of U.S. citizens Refugees/asylees Aliens with deportation withheld ^g Legalized aliens ^b	Ineligible Undocumented aliens Parolees Other PRUCOL Most nonimmigrants Limited Temporary H-2A agricultural workers ^h

Summary of Alien Eligibility for Selected Programs--Continued

Federal programs	Eligible*	Ineligible or restricted
Job Training (JTPA)	Immigrants Refugees/asylees Parolees Others aliens authorized to work	Undocumented aliens Other aliens not authorized to work
Medicare¹	Individuals who paid Medicare taxes in covered employment ^a Immigrants after 5 years residence may buy in	All other aliens ^j
Unemployment Compensation	Immigrants Refugees/asylees Parolees Other PRUCOL Other aliens authorized to work	Undocumented aliens Other aliens not authorized to work Certain nonimmigrants ^l
Old Age, Survivors, and Disability Insurance	Individuals who paid OASDI taxes in covered employment ^k for the minimum period and their dependents and survivors in the U.S.	Ineligible All other aliens, including nonresident dependents and survivors who fail to meet residency requirements
Student Aid	Immigrants Refugees/asylees Intending permanent resident	Limited Other nonresident aliens Undocumented aliens Aliens present for temporary purpose

*Aliens must also meet all eligibility requirements that apply to U.S. citizens.

^bThe term "legalized alien" includes both those whose status is based on their pre-1982 residence here and special agricultural worker (SAW) legalized aliens.

^cPRUCOL is an acronym for "permanently residing under color of law" which includes refugees, asylees, parolees, aliens whose deportation has been withheld or suspended, etc.

^dNonimmigrants are admitted temporarily for specific purposes (e.g., tourists, students).

^e"Sponsored immigrants" entered with affidavits of support from U.S. residents, indicating they were not likely to become public charges. For the purpose of determining financial eligibility for AFDC, SSI, and Food Stamps, some portion of their sponsors' income is deemed available to them for 3 years after entry.

^fWhen this statement was prepared, a proposal to extend the 3 year deeming provision temporarily to 5 years was pending in conference.

^gRefers to withholding of deportation because of threat of persecution, a PRUCOL category for programs using the PRUCOL standard.

^hLegal services limited to wages, housing, transportation, and certain other employment rights.

ⁱIndividuals who previously worked in covered employment are covered by virtue of prior mandatory withholding.

^jAliens in other categories (e.g., refugees, asylees, legalized aliens) would become eligible to buy coverage after they adjust to immigrant status and satisfy the 5-year residence requirement.

^kIndividuals working in covered employment need social security account numbers to be covered. Illegal aliens have been barred from obtaining social security account numbers since 1972.

^lNonimmigrants not subject to unemployment (FUTA) taxes or eligible for benefits include students and exchange visitors (F,J,M visa holders) and H-2A agricultural workers.

Chairman FORD. Mr. Bean.

STATEMENT OF FRANK D. BEAN, ASHBEL SMITH PROFESSOR OF SOCIOLOGY, UNIVERSITY OF TEXAS AT AUSTIN

Mr. BEAN. The 1980 and 1990 census data are among the few U.S. data sources that provide large enough numbers of cases to allow reliable estimates to be calculated for the foreign-born and native-born segments of different national origin and racial ethnic groups by period of entry, not to mention estimates for different States and metropolitan statistical areas.

The measure of public assistance participation available in census data ascertains only participation in any of several different programs, meaning that it is not always clear from census data which particular programs account for differences observed. The measure nonetheless taps the programs usually called "welfare programs." These include three transfer programs—AFDC, SSI, and general assistance. Rates of public assistance utilization among native and immigrant households in 1979 and 1989 are shown in table 1 in the following statement.

Over the decade, the rate of public assistance received among all households declined from 7.7 to 7.6 percent. Among immigrant households, the rate receiving public assistance increased from 7.8 to 8.6 percent. Among households receiving public assistance, the average dollar amount received also increased more between 1979 and 1989 for immigrant households than it did for native households. Immigrant households receiving public assistance reported on average \$5,373 in public assistance in 1989 compared to \$3,927 among natives, a difference of more than \$1,400, and one that was up from a difference of about \$370 in 1979.

In general, then, immigrant households in 1989 are more likely to receive public assistance than native households; and among those receiving to report higher average amounts of assistance. Also, the greater probability of an immigrant household receiving public assistance and the larger dollar amount in immigrant households both increased between 1979 and 1989. It is important to note, however, that none of these differences or the changes over the decade are really very large.

Having data for two census periods also enables the examination of cohort change in the case of three entry cohorts, those coming before 1960, from 1960 to 1969, and from 1970 to 1979. This is shown in the bottom panel of Table 2.

The earlier entry cohorts are characterized by about the same amount of decline in public assistance utilization between 1979 and 1989 as occurs among natives. The most recent entry cohort, however, of immigrants is characterized by more than a 24 percent increase. In other words, the small overall increase in public assistance utilization occurring among immigrants between 1979 and 1989 seems to derive largely from more recent entrants.

In the case of public assistance rates examined by period of entry and by race ethnicity, we note another interesting pattern in 1989. This is shown in table 3. Among certain immigrant groups—African-Americans, Mexicans, and Central-South Americans—the likelihood of receiving public assistance increases the longer the immigrants have lived in the United States.

Among other immigrant groups, mainly Asians, especially those from refugee-sending countries, and Cubans, public assistance receipt does not increase and sometimes declines the longer they have lived in the United States.

It is hard to say whether or not the former pattern represents the failure of processes of incorporation, the results of becoming more familiar with the U.S. welfare system, or the selective emigration of more successful immigrants back to their countries of origin, a possibility that seems counterintuitive.

In the case of the Asian and Cuban pattern, however, it is noteworthy that it involves those groups most likely to include a high proportion of refugees. Refugees, of course, are immediately eligible for public assistance as well as other forms of settlement aid, when they arrive in the United States.

In conclusion, at a national level, between 1979 and 1989, when overall rates of public assistance were declining by about 1 percent, the rate of public assistance utilization among immigrants increased by more than 10 percent. Moreover, immigrants in 1989 were more likely than natives to receive public assistance. However, this difference is sufficiently small that it undoubtedly is explained by the lower education and income of immigrant households rather than by their greater tendency to use welfare.

It is noteworthy, however, that the increase between 1979 and 1989 in public assistance receipt among immigrants is substantially concentrated in the more recent entry cohorts. Among African-Americans, Central-South Americans, and Mexican immigrant households, the rate of public assistance receipt is higher the longer the household has been in the United States, whereas among Asian and Cuban-Americans, it tends to be lower.

These patterns underscore the need for coherent, sensible immigrant policies that facilitate the successful incorporation of immigrants. Indeed, in the case of Cubans and Asians, the groups most likely to have received settlement assistance when they arrived because so many of them were refugees, rates of public assistance utilization do not increase the longer they have been in the country, and in some instances decline.

Immigrant policies that support socioeconomic incorporation may help to reduce rates of welfare usage. The need for this is particularly acute in the high-immigration States, especially California, New York, and Texas.

Given that Mexico is located on the southern border of the United States, and given that the prospects of substantially changing the immigration policy of the United States in the near term seem limited, at best, it is likely that the United States is going to continue to receive the volume and kinds of immigrants that it has in the recent past. Immigrant policies, such as increased funding for English language programs whose objectives are to reduce immigrants' economic vulnerability and to foster socioeconomic incorporation, seem more and more needed.

Chairman FORD. Thank you.

[The prepared statement follows:]

**TESTIMONY OF FRANK D. BEAN
KYUNG TAE PARK
JENNIFER VAN HOOK
UNIVERSITY OF TEXAS AT AUSTIN**

PATTERNS OF PUBLIC ASSISTANCE RECEIPT AMONG IMMIGRANTS:

RESULTS FROM THE 1980 AND 1990 U.S. CENSUSES

My name is Frank D. Bean. I am on the faculty of The University of Texas at Austin, where I hold the position of Ashbel Smith Professor of Sociology. I am going to report today some results of research that I have carried out in collaboration with Kyung Tae Park and Jennifer Van Hook, both doctoral students in sociology at The University of Texas at Austin.

Since World War II, immigration to the United States has steadily increased (Bean, Vernez, and Keely, 1989; U.S. Immigration and Naturalization Service, 1992). Beginning in the mid-1970s, however, the social and economic conditions that had contributed to the liberalization of immigration policies (and thus to increased immigration) slowly started to change. Growth in real wages began to level off (Levy, 1987), and unemployment began to rise (Reischauer, 1989). Calls for immigration reform began to emerge, often based on unsubstantiated claims about the pernicious nature of immigrants and their harmful effects on the country (Bean, Telles, and Lowell, 1987). During the 1980's, the social science literature reported research results that found little factual basis for claims that immigration was generating substantial negative social and economic effects. In fact, the research tended to show that immigrants were assimilating socioeconomically within a reasonable period of time, were not exerting very large labor market effects on the wages and unemployment of natives, and were generally not consuming more in the way of public benefits than they were paying in taxes (Chiswick, 1978; Bean, Telles, and Lowell, 1987; Borjas and Tienda, 1987; Simon, 1989; Butcher and Card, 1991). While other research raised questions about the degree to which the skill levels of immigrants might be declining both within and across countries of origin (Borjas, 1990; Lalonde and Topel, 1991), the evidence brought to bear on the issue of immigration's impact on the United States tended to support the general conclusion that immigration did not appear to be exerting very large positive or negative effects on any of a wide array of variables examined.

Because almost all of this research was based on data that is now more than ten years old, it is not altogether clear that the conclusions of the studies apply to the current U.S. immigration situation. Several factors have changed enough to suggest the possibility that the social and economic impacts of immigration might also have changed. Not only has immigration continued to rise, but real wages and household incomes have declined further during the 1980s, especially among less-skilled American workers (Levy, 1987; Kosters, 1991), and unemployment has remained at levels that are relatively high. And as the national and state economies have shown slow rates of overall growth, and virtually no job growth until recently, public concerns have once again emerged that immigrants are exerting harmful effects on the country. Of these concerns, one of the strongest is that immigrants place increasingly disproportionate demands on social programs in general and on public assistance programs in particular.

The purpose of this testimony is to examine recent evidence on public assistance receipt. By public assistance we mean Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and General Assistance. SSI includes Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. All of these programs together are often referred to as "welfare" (Levitin, 1985; 1990). The issue of whether immigrants are more likely to be "on welfare" has previously been addressed by research relying on 1980 census or earlier data sets that have usually presented results only for the nation as a whole. The present research seeks to provide more up-to-date information on immigrant public assistance utilization patterns by examining data from the 1990 census. It also examines utilization patterns in a geographically detailed way by presenting disaggregated data for selected high immigration states and metropolitan areas.

DATA AND MEASURES

The 1980 and 1990 census data are the only data sources that provide large enough numbers of cases to allow reliable estimates to be calculated for the foreign-born and native-born segments of different national origin and racial/ethnic groups by period-of-entry, not to mention estimates for different states and metropolitan statistical areas. The measure of public assistance participation available in census data ascertains only participation in any of several different programs, meaning that it is not always clear which particular program accounts for differences observed. The measure nonetheless taps the programs usually called "welfare" programs. These include three transfer programs: Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI) and General Assistance (GA). Correlation and regression analyses of the relationship between the total dollar amounts reported in the census data by state in 1989 on the one hand and the amounts reported elsewhere for AFDC and SSI expenditures by state show that the data provide a particularly good reflection of AFDC expenditures (Bean, et al., 1993).

In addition to welfare receipt, we also examine (among those households receiving public assistance) the annual dollar amount of assistance received. Rates of public assistance utilization and average dollar amounts received are calculated for households. Following census practice, we define a household as consisting of all those persons occupying a dwelling unit whether or not related by blood or marriage. We define an immigrant household as any household in which either the householder, the spouse of the householder, or both are foreign-born. We define a native-born household as any household in which both the householder and the spouse of the householder are native-born.

The data on which we base our estimates of public assistance utilization are taken from the one percent micro-data public use samples of the 1980 and 1990 censuses. Because these data files are so large, we select a sub-sample of households for analysis. Included in our sub-sample is any household that contained at least one Hispanic person, any household that contained at least one foreign-born person, and any household that contained at least one non-Hispanic native-born person of any other non-white race. Thus, of the remaining non-Hispanic, non foreign-born, non-racial minority households, we selected a 1 in 5 sub-sample of non-Hispanic, non foreign-born, white households.

Because it is possible to define an immigrant household in various ways, research that seeks to compare rates of public assistance usage among immigrants compared to natives should define what is meant by the terms "immigrant" and "native." For purposes of this research, we have elected to define an immigrant household as any household in which either the householder or the spouse of the householder is foreign-born. Another issue involves whether or not to include households containing persons born in U.S. outlying areas in the category of immigrant households. This is primarily although not exclusively a question of whether to include Puerto Ricans. We have chosen not to include households containing persons born in Puerto Rico but living in the United States in the same category as immigrants, even though previous research on this topic has often done so. The reason we do not is that immigrants are not immediately eligible for public assistance when they come to the United States whereas Puerto Ricans are, meaning that island-born Puerto Ricans and immigrants are not exactly comparable. For the same reason, new immigration policies that might apply to (potential) immigrants might not necessarily apply to Puerto Ricans, and vice versa. Thus, we exclude island-born Puerto Ricans from our immigrant category.

Comparisons between immigrant and native households are also affected by definitions of what constitutes a native household. If, for example, we were to classify island-born Puerto Ricans as natives, we would obtain a rate of public assistance utilization among natives for 1989 of 7.9 instead of 7.5 percent. Similarly, because minority groups tend to be socioeconomically disadvantaged and to have higher rates of public assistance receipt than non-minorities, the rate of public assistance utilization among native households is inflated upwards the higher the minority composition among households defined as native-born. If the native population were restricted to non-Hispanic whites and to households not containing persons from outlying areas, then the native rate of public assistance utilization for 1989 would drop to 5.4 percent. Again,

the magnitude of the differential between immigrant and native households in public assistance utilization is affected by how the native-born population is defined. In this research, we define native-born households as those households in which neither the householder nor the spouse of the householder is a foreign-born person or any person coming to the United States from an outlying area. We include minority group members in the population of native households.

NATIONAL LEVEL PUBLIC ASSISTANCE PATTERNS

The rates of public assistance utilization among native and immigrant households in 1979 and 1989 are shown in Table 1. Over the decade, the rate of public assistance receipt among all households declined from 7.7 to 7.6 percent, a decline of about 1.3 percent in the rate. Among immigrant households, however, the rate receiving public assistance increased from 7.8 to 8.6 percent, an increase of about 10.3 percent in the rate. A 0.1 percentage point higher rate of receipt among immigrant compared to native households in 1979 had grown to a rate that was 1.1 percentage points higher by 1989. Among households receiving public assistance the average dollar amount received also increased more between 1979 and 1989 for immigrant households than it did for native households. Immigrant households receiving public assistance received on average \$5373 in public assistance in 1989 compared to \$3927 among natives. Stated differently, the average amount in dollars by which immigrant households exceeded native households increased from about \$370 in 1979 to about \$1400 by 1989. In general, then, immigrant households in 1989 are more likely to receive public assistance than native households and, among those receiving, to report higher average amounts of assistance. Also, the greater probability of an immigrant household receiving public assistance and the larger dollar amount received by immigrant households both increased between 1979 and 1989. None of these differences or changes, however, is very large.

Next we turn to an examination of public assistance receipt patterns by the length of time immigrants have been in the United States, together with an examination of this pattern within various race/ethnic groups. Before examining the results, it is important to note that they could reflect any of several underlying processes (Jensen, 1989:113). Increased socioeconomic assimilation over time could lead to lower rates of utilization. Declining educational levels among immigrant cohorts could lead to higher rates. Similarly, greater knowledge of and familiarity with social programs among immigrants who have been here longer could increase rates, as could higher ages among the members of earlier cohorts because such aging increases the likelihood of eligibility for SSI. Selective emigration back to the country-of-origin could affect rates either positively or negatively depending on whether it is the socioeconomically more or less successful persons who emigrate.

Overall, the length of time the immigrant head of household has been in the United States does not show a clearcut relationship to the likelihood of public assistance utilization (Table 2). In the case of the 1990 data, there is some evidence that both recent and long-time immigrants are less likely to receive welfare. Interestingly, however, households whose heads immigrated more recently tend to receive larger amounts of money, a pattern that holds in both 1979 and 1989. Having data for two census periods also enables the examination of cohort change in the cases of three entry cohorts -- those coming before 1960, from 1960 to 1969, and from 1970 to 1979 (see bottom panel of Table 2). The earlier entry cohorts are characterized by about the same amount of decline in public assistance utilization between 1979 and 1989 as natives. The most recent cohort, however, is characterized by more than a 24 percent increase. In other words, the small overall increase in public assistance utilization occurring among immigrants between 1979 and 1989 seems to derive largely from the more recent entrants. Perhaps coincidentally, it involves immigrants who have come to the United States since the growth in real wages began to stagnate.

Turning to public assistance rates by period of entry and race/ethnicity, we note another striking finding, especially in 1989 (Table 3). Among certain immigrant groups (African Americans, Mexicans, and Central/South Americans), the likelihood of receiving public assistance increases the longer the immigrants have lived in the United States. Among other immigrant groups (mainly Asians, especially those from refugee sending countries, and

Table 1
Public Assistance (PA) Rates and Amounts Received Among Native
and Immigrant Households, 1979 and 1989

	Unweighted Num. of HHs	% of HHs Receiving PA (a)	Num. of HHs Receiving PA	\$ Amount Among Those Receiving (a)
1979				
Natives	268,932	7.7	5,592,900	2,455
Immigrants	74,085	7.8	579,400	2,725
All	343,017	7.7	6,172,300	2,480
1989				
Natives	305,057	7.5	6,107,981	3,927
Immigrants	87,005	8.6	795,588	5,373
All	392,062	7.6	6,903,569	4,094
% Change in PA Utilization				
Natives		-2.6		37
Immigrants		10.3		49
All		-1.3		39

Source: 1990 1% Public Use Sample.

Notes: A household is considered to utilize public assistance if any member of the household utilize public assistance. Dollar amount is public assistance income summed across all members of the household. Immigrant households are defined as households in which either the head, spouse, or both are foreign born. Those living in the U.S. but born in U.S. outlying areas (such as Puerto Rico) are not included in these estimates. Those born abroad of American parents are classified

Table 2

Public Assistance (PA) Rates and Amounts Received Among Immigrant Households
By Period of Entry, 1979 and 1989

	Number of Households	% of HHs Receiving PA	# of HHs Receiving PA	\$ Amount Among Those Receiving
Natives	72,445,600	7.7	5,592,900	2,455
Immigrants	7,408,500	7.8	579,400	2,725
1975-1980	986,300	7.0	69,000	3,230
1970-1974	931,800	7.5	69,700	2,958
1965-1969	869,200	9.4	80,400	2,974
1960-1964	749,200	8.2	61,800	2,843
1950-1959	1,341,800	5.7	75,900	2,682
Before 1950	2,530,200	8.8	222,600	2,389
Natives	81,852,702	7.5	6,107,981	3,927
Immigrants	9,260,623	8.6	795,588	5,373
1987-1990	727,064	8.1	59,065	6,297
1985-1986	522,158	7.9	41,213	6,504
1980-1984	1,396,457	10.4	145,496	6,326
1970-1979	2,270,183	9.0	205,060	5,326
1960-1969	1,723,782	8.6	148,563	4,758
Before 1960	2,620,979	7.5	196,191	4,663

Cohort Change

Cohort	1979	1989	% Change
Before 1960	7.7	7.5	-2.9
1960 - 1969	8.8	8.6	-2.8
1970 - 1979	7.2	9.0	24.3

Source: 1980 and 1990 1% Public Use Samples.

Notes: See Tables 1.

Table 3

Public Assistance (PA) Rates and Amounts Received Among Immigrant Households
By Race/Ethnicity and Period of Entry, 1989

Race/ethnicity	Period of Entry	Number of Households	% of HHs Receiving PA	\$ Amount Among Those Receiving
Asian	1987-1990	210,248	9.7	7,790
	1985-1986	147,722	12.0	8,478
	1980-1984	373,242	16.6	8,404
	1970-1979	498,200	10.4	6,266
	1960-1969	167,283	6.6	4,949
	Before 1960	103,436	8.6	4,980
Asians from High Refugee Countries	1987-1990	25,976	50.6	9,137
	1985-1986	24,587	45.2	10,365
	1980-1984	105,719	39.1	9,496
	1970-1979	99,393	17.8	8,104
	1960-1969	5,518	2.4	(b)
	Before 1960	1,441	(b)	(b)
Black	1987-1990	56,067	4.2	(b)
	1985-1986	40,409	5.8	(b)
	1980-1984	131,074	7.2	4,320
	1970-1979	198,652	7.8	4,044
	1960-1969	105,606	10.4	3,946
	Before 1960	43,041	14.4	4,142
Non-Hispanic White	1987-1990	266,943	7.9	6,756
	1985-1986	136,433	4.5	6,973
	1980-1984	315,484	4.6	5,665
	1970-1979	667,722	5.5	4,867
	1960-1969	813,504	4.3	4,683
	Before 1960	2,101,049	5.3	4,834
Mexican	1987-1990	102,492	7.8	4,088
	1985-1986	107,774	6.6	4,065
	1980-1984	290,320	9.1	4,532
	1970-1979	564,006	9.9	5,108
	1960-1969	273,743	14.3	5,016
	Before 1960	250,785	21.2	4,183
Cuban	1987-1990	8,393	11.6	3,866
	1985-1986	5,989	12.0	5,783
	1980-1984	55,468	18.6	4,781
	1970-1979	60,785	21.8	4,523
	1960-1969	177,288	13.3	4,397
	Before 1960	37,858	12.1	3,771
Central/South American	1987-1990	61,931	4.7	3,513
	1985-1986	57,717	5.9	3,504
	1980-1984	167,462	6.0	4,169
	1970-1979	176,659	7.9	5,309
	1960-1969	107,240	11.8	4,545
	Before 1960	39,796	12.0	5,229
Other Hispanic	1987-1990	227	11.0	(b)
	1985-1986	181	16.2	5,164
	1980-1984	433	22.1	5,307
	1970-1979	737	17.8	5,453
	1960-1969	588	22.2	5,494
	Before 1960	332	14.3	6,332

Source: 1990 1% Public Use Sample.

(b) 25 or fewer observations.

Notes: See Tables 1.

Cubans), public assistance receipt does not increase and sometimes declines the longer they have lived in the United States. It is difficult to say whether the former pattern represents the failure of processes of incorporation, the results of becoming more familiar with the U.S. welfare system, or the selective emigration of more "successful" immigrants back to their countries of origin (a possibility that seems counterintuitive). In the case of the Asian and Cuban pattern, however, it is noteworthy that it occurs among those groups most likely to include a high proportion of refugees. Refugees, of course, are immediately eligible for public assistance as well as other forms of settlement aid. That welfare usage declines over time in these groups implies that early assistance facilitates incorporation.

STATE AND METROPOLITAN PATTERNS

The rates of public assistance receipt for the six highest immigration states, the major metropolitan areas within these states, and three other high immigration metropolitan areas -- Chicago, Washington, D.C., and Miami -- are shown in Table 4. California, New York, and Texas show the highest percentages of immigrant households receiving public assistance support in 1989, ranging from nearly 9.7 percent in the case of New York to 11.8 percent in the case of California. These rates also substantially exceed the rates of welfare usage for natives in these states. In 1989, of these six states, two showed higher rates of welfare usage among native than immigrant households, New Jersey and Illinois. With the exception of Florida, the states whose immigrant rates of public assistance receipt exceeded those of natives in 1979 experienced an increase in this amount by 1989. It is also interesting to note that in 1989 the rates of public assistance receipt among native and immigrant households outside these six high immigration states were exactly identical (6.2 percent), meaning the higher rate of public assistance receipt among immigrants in the country as a whole derives mostly from results for four states -- California, Florida, New York, and Texas.

The other significant result for states concerns the average dollar amount received. In general, the differences in average amounts received between immigrants and natives were not very large in 1979, and this difference did not increase much by 1989. The glaring exception, however, is California. Unlike most other states, California adopted in the 1970s a cost of living adjustment for its welfare payments. This has caused the average payment in California to increase at a much more rapid rate than is the case in other states. Thus, by 1989, the average dollar amount received among both native and immigrant households was substantially above the average dollar amount received in other states. Moreover, the average dollar amount received among immigrant households in California in 1989 was over \$1300 higher than the average dollar amount received by native households. This same basic pattern also manifests itself in the case of California metropolitan areas. Los Angeles, San Francisco/Oakland, and San Diego all exhibit much higher average dollar amounts of public assistance receipt in 1989 than is the case for metropolitan areas in other states.

CONCLUSIONS

This research examines differences between immigrant and native households in the likelihood of receiving public assistance (welfare) and in the average dollar amount received. At a national level, between 1979 and 1989, when overall rates of public assistance utilization were declining by about 1 percent, the rate of public assistance utilization among immigrants increased by more than 10 percent. Moreover, immigrants in 1989 were more likely than natives to receive public assistance (8.6 percent of immigrant households versus 7.5 percent of native households). However, this difference is sufficiently small that it is undoubtedly explained by the lower education and income of immigrant households rather than by a greater tendency to use welfare. The increase between 1979 and 1989 in public assistance receipt among immigrants is also substantially concentrated in the more recent entry cohorts. Moreover, among African American, Central/South American, and Mexican immigrant households, the rate of public assistance receipt is higher the longer the household has been in the United States, whereas among Asian and Cuban Americans it tends to be lower.

Table 4

Public Assistance (PA) Rates and Amounts Received among Households in Major Immigration-Receiving States and MSAs, 1979 and 1989

		Percent of HHs Receiving Public Assistance			Dollar Amount among Those Receiving PA		
		Natives	Immigrants	Difference	Natives	Immigrants	Difference
		[1]	[2]	[2] - [1]	[1]	[2]	[2] - [1]
1979	California	9.3	9.9	0.6	2,967	3,251	284
	Florida	6.0	8.9	2.9	2,113	2,502	389
	Illinois	7.3	5.4	-1.9	2,752	2,431	-321
	New Jersey	7.3	6.8	-0.5	2,957	2,697	-260
	New York	8.8	8.9	0.1	2,927	2,819	-108
	Texas	5.8	9.1	3.3	1,815	1,845	30
	Other States	7.8	6.2	-1.6	2,335	2,466	131
1989	California	8.7	11.8	3.1	5,765	7,139	1,374
	Florida	5.6	8.0	2.4	3,638	3,981	343
	Illinois	7.8	5.6	-2.2	3,865	4,434	569
	New Jersey	5.4	5.1	-0.3	4,534	4,145	-389
	New York	7.9	9.7	1.8	4,305	4,938	633
	Texas	6.3	10.0	3.7	3,147	2,905	-242
	Other States	7.5	6.2	-1.3	3,660	4,562	902
1979	Chicago	8.4	5.5	-2.9	3,047	2,459	-588
	Dallas-F.W.	4.0	3.3	-0.7	1,676	1,911	235
	Houston	4.3	4.1	-0.2	2,046	1,939	-107
	Los Angeles	10.6	9.7	-0.9	3,061	3,351	290
	Miami	7.4	13.5	6.1	2,297	2,587	290
	New York	11.1	9.7	-1.4	3,066	2,906	-160
	S.F.-Oakland	8.6	9.1	0.5	3,126	3,201	75
	San Antonio	7.4	9.0	1.6	1,700	1,741	41
	San Diego	8.3	9.5	1.2	2,701	2,985	284
	Wash. D.C.	5.2	3.2	-2.0	2,739	2,347	-392
	Other MSAs	7.7	7.1	-0.6	2,371	2,554	183
1989	Chicago	9.4	6.0	-3.4	3,967	4,484	517
	Dallas-F.W.	4.2	3.5	-0.7	3,987	2,947	-1,040
	Houston	5.4	5.4	0.0	3,039	3,444	405
	Los Angeles	9.3	11.4	2.1	5,735	6,921	1,186
	Miami	8.3	12.3	4.0	3,431	3,923	492
	New York	9.9	10.9	1.0	4,372	4,954	582
	S.F.-Oakland	7.1	11.2	4.1	5,892	6,908	1,016
	San Antonio	8.6	13.9	5.3	3,301	2,627	-674
	San Diego	6.3	12.3	6.0	5,916	7,234	1,318
	Wash. D.C.	3.9	3.1	-0.8	3,833	3,823	-10
	Other MSAs	7.0	7.6	0.6	4,046	5,320	1,274

Source: 1980 and 1990 1% Public Use Samples.

Notes: See Table 1.

These results have implications that derive from the under-appreciated fact that the country's immigration and immigrant policies are interdependent. Immigrant, as opposed to immigration, policy refers to the laws, regulations, and practices (in other words, to both *de jure* and *de facto* elements) that influence incorporation processes among immigrants after they arrive in this country, whereas immigration policy determines who is allowed to enter in the first place. Historically, the immigrant policy of the United States has involved little more than the granting of the opportunity to enter the country (the granting of the opportunity to pass through the "Golden Door"). Little more was deemed necessary and, indeed, little more may have been required when economic opportunities for unskilled workers were relatively plentiful. If such opportunities are now becoming relatively more scarce, however, and if the skills of immigrants now compare less favorably with those of natives than they once did, then the probability of successful incorporation among immigrants seems likely to have declined (the increase in public assistance among recent entrants is consistent with this possibility).

Such changes underscore the need for coherent, sensible immigrant policies that facilitate the successful incorporation of immigrants. Indeed, in the case of Cubans and Asians, the groups most likely to have received settlement assistance when they arrived because so many of them were refugees, rates of public assistance utilization do not increase the longer they have been in the country, and in some instances decline. If stagnant economic conditions are limiting the expansion of economic mobility opportunities, then immigrant policies that support socioeconomic incorporation may help to reduce rates of welfare usage. The need for this is particularly acute in the high-immigration states, especially California, New York, and Texas. Given the reality that Mexico is located on the southern border of the United States, and given that the prospects of substantially changing the immigration policy of the United States in the near term seem limited at best (Bean and Fix, 1992), it is likely that the United States is going to continue to receive the volume and kinds of immigrants that it has in the recent past. Immigrant policies -- such as increased funding for English language programs -- whose objectives are to reduce immigrant economic vulnerability and to foster socioeconomic incorporation seem more and more needed.

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Chairman FORD. Mr. Fix.

STATEMENT OF MICHAEL FIX, DIRECTOR, IMMIGRANT POLICY PROGRAM, THE URBAN INSTITUTE

Mr. FIX. Mr. Chairman, Mr. Camp, my name is Michael Fix. I am a lawyer and senior researcher associate here at the Urban Institute, a private nonprofit research organization here in Washington, D.C. I am joined today by Jeffrey Passel, a demographer at the Institute, with whom I coauthored the statement that you have before you. After I complete my statement, Dr. Passel and I will be happy to answer any questions that you might have.

Taken separately, there are few areas of public policy that provoke such charged emotional responses as welfare and, of late, immigration. So it is not surprising that when the two are joined, as they are before your committee, that we should see some old and new myths begin to emerge.

I would like to discuss briefly today some of the myths and new realities in this area and their policy implications.

First, contrary to popular belief, the great majority of immigrants in the United States are here with the Nation's express consent. About 1.1 million immigrants enter the United States every year. Of those, only about one-quarter or 300,000 are undocumented immigrants who enter and who stay.

Second, the degree to which immigrants, both legal and illegal, are barred from participation in public benefits programs is also generally unappreciated. Indeed, access for noncitizens to public benefits is already screened. An automatic verification program, the SAVE system, that works like credit card check and that many would like to see adopted in the workplace to determine whether job applicants are authorized to work or not.

Third, welfare use among immigrants who have arrived in the last decade is concentrated among refugees to an extent that is also generally unrecognized. The 1990 census indicates when immigrants from refugee-sending countries are excluded, the welfare use rates for immigrants entering in the 1980s is 2.3 percent—a rate that is lower than that of the native population. Overall, of course, immigrant participation rates are higher, as Dr. Bean has indicated. In short, welfare use among recent immigrants other than refugees is, to my mind, surprisingly low.

The current myths and misunderstandings about immigrants' public sector impacts have been fed, to some extent, by a series of recent studies of the taxes paid by, and the costs of providing public services to immigrants. As our written statement indicates, these studies suffer from a number of conceptual and methodological flaws. I will comment on several.

First, they systematically underestimate tax collections from immigrants. They do so by examining only the contributions of recent immigrants, and not long-term immigrants with higher incomes. They ascribe to immigrants nationwide the incomes of immigrants in Los Angeles, despite the fact that incomes of immigrants in Los Angeles are 50 percent lower than are those of immigrants nationwide. They omit major sources of tax revenues paid by immigrants, most notably FICA and unemployment insurance; and when these additional taxes are included, and the adjustments I suggest here

are made, the taxes paid by immigrants offset even the most inflated estimates of immigrant public sector costs.

A second flaw in these studies is that they tend to overstate the service costs for immigrants. For example, a recent Los Angeles County study overstated costs by 60 percent.

A third flaw is that none of these studies credit immigrants for the revenues from immigrant-owned businesses or the full economic benefits generated by consumer spending by immigrants, which can be substantial.

Fourth, along the same lines, where they are mentioned in these studies, the job displacement impacts and costs are overstated because the job creation effects of immigrants are ignored. In fact, numerous studies show that each additional immigrant in the labor force adds more than one additional job.

Fifth, the studies do not report the fact that natives, like immigrants, are net tax users when it comes to State and local fiscal costs.

And sixth and finally, the studies often overstate the size of the undocumented population.

For example, it is frequently reported that there are 4.5 million undocumented immigrants in the United States, an estimate 50 percent higher than that of the Immigration and Naturalization Service, which has not historically provided low estimates of the undocumented.

It is important to note, though, that the distribution of costs and revenues within the intergovernmental system can be viewed in this regard as being imbalanced. Immigrant tax payments tend to flow to Washington, while most of the costs of providing services fall to State and local government. So even if there is net fiscal surplus as a result of immigrants, that net fiscal surplus may not be felt at the State and local government level.

What are the policy implications of the above? Let me simply mention a few. First, because welfare use among those arriving within the past decade is so heavily concentrated among refugees, the cost savings opportunities here may be more limited than are expected.

Second, the fact that State and local governments are running deficits with regard to providing services to immigrants, like other poverty populations—despite what may appear to be the existence of a net fiscal surplus—suggests that one set of policy remedies might lie in renegotiating the fend-for-yourself Federalism of the 1980s. This suggests that researchers and policymakers might want to explore the feasibility of an immigrant block grant.

Third, we found at the Urban Institute that the number of immigrants in concentrated poverty is growing at two times the rate it is among native populations. This trend, coupled with those reported by Frank Bean, suggests to me that it may be a mistake to think of these newcomers—the great majority of whom are here with our consent—just in terms of costs in the savings that would result from barring them from public benefits. Rather, we may need to think in terms of the investments that would accelerate their economic and social integration, keep them off welfare in the long run, and to put it bluntly, avert the formation of a new urban core.

In particular, I believe that excluding immigrants from job training programs, especially those that might teach English language skills, may prove an unrewarding path to follow. I believe the public policy should be moving in the direction of making such services more, not less, acceptable and available to this population. Thank you very much.

Chairman FORD. Thank you.

[The prepared statement and attachments follow:]

Immigrants and Welfare: New Myths, New Realities

Michael Fix
and
Jeffrey S. Passel

I. Introduction/Overview

Taken separately, there are few areas of public policy that provoke such charged, emotional responses as welfare and, recently, immigration. So it is not surprising when the two are joined that public debate should be dominated by a large number of misunderstandings. In our comments, we will: (a) note some of the analytic and conceptual errors that have found their way into the public discourse on immigrants and welfare; (b) critique some of the recent studies on public sector impacts; and (c) discuss some potential problems with current proposals to limit immigrants' access to welfare. We conclude by suggesting that the Committee look not only at the costs of immigrants but to the relatively low-cost investments that can be made to expedite immigrants' social and economic integration.

We begin by summarizing some of the major themes that we develop in our statement today:

- Between the 1960s and the 1980s immigration to the United States nearly trebled. The settlement patterns that resulted are notable for their concentration and speed;
- Contrary to popular belief, the great majority of immigrants to the United States are here legally, with the nation's express consent;
- The degree to which immigrants both legal and illegal are barred from participation in public benefit programs is generally unappreciated;
- Some recent studies of the taxes paid by immigrants and their public sector costs have been based on assumptions that systematically overstate costs and understate revenues;
- At the same time, the distribution of costs and revenues within the intergovernmental system are unbalanced. Immigrant tax payments flow to Washington while most of the costs of providing services fall to state and local governments;
- Welfare use among immigrants arriving during the past decade is concentrated among *refugees* to a degree that is generally unrecognized;
- Welfare use among recently-arrived non-refugees is low;
- To obtain substantial cost savings, it appears that reform proposals would burden immigrants who are the most vulnerable and have the strongest claims for assistance: refugees, children and the elderly;
- Many of the welfare-related reform proposals that have been advanced to date may not curb illegal immigration;

- To ensure that immigration continues to serve the national interest and to avert the formation of a new poor composed of legally admitted immigrants, we believe that immigration and immigrant policy should be viewed not just in terms of the *costs* of immigrants but the high-leverage public *investments* that might be made in them. Immigrants should not be excluded from human capital building programs — especially low-cost programs that focus on English language development.

II. The Context: New Realities

The tenor of the public debate on immigration in the United States has changed in recent years. There are many explanations for this shift but several may be especially pertinent to the deliberations of this Committee.

The first is simple numbers. During the 1980s and 1990s immigration rose to its highest level in the history of the nation. (See Figure 1.) Steady increases in immigration, coming about as a result of a quarter century of reform, have led to a near trebling of immigration levels since the 1960s.

Today roughly 675,000 immigrants enter each year as legal permanent residents (principally for family unification or employment-related purposes); another 120,000 are admitted as refugees fleeing political persecution. And it is estimated that approximately 300,000 undocumented immigrants enter *and stay* each year.

This new immigration is characterized by several important trends that are relevant to the welfare issues we discuss today. As in the past, immigrants continue to be concentrated in six states, most notably California (see Figure 2). Their concentration in California appears to have grown over the decade.

Another defining characteristic of the new immigration has been the *pace* of change that it generates; roughly half of the nation's immigrant population entered within the past decade alone. Figure 3 indicates the rapid rate of growth of the immigrant population in ten major U.S. metropolitan areas — growth that inevitably makes it difficult for these areas to adjust.

One abiding fiscal reality triggering the emergence and character of the current immigration debate is the distribution of federal revenues to state and local governments, which is perceived as shortchanging ones with increasing immigration. While most of the taxes paid by immigrants go to federal coffers, the costs of providing social services fall to state and local governments.

Finally, the issue of immigration and its costs are before this Committee and the public in part because there is strong evidence that U.S. efforts to control undocumented immigration have failed. In particular, the introduction of employer sanctions has not substantially reduced the flow of illegal immigrants to the U.S. This attention to the undocumented and to the costs associated with them has eroded the legitimacy of legal and humanitarian immigration policies.

III. The Public Sector Impacts of Immigrants — New Misconceptions

The new realities noted above have led to a reexamination of fiscal impacts of immigrants, and, specifically, the degree to which they use and pay for the services and benefits they receive. A number of important misconceptions about immigrants and their public sector impacts have emerged.

Immigrant eligibility for services and benefits is more limited than is broadly believed. The degree to which the public welfare system is "protected" against access by undocumented

and other unauthorized aliens is not generally known or acknowledged (Fix and Zimmermann, 1993). In this regard, *undocumented immigrants* are eligible for few public benefits. Among those for which they are eligible include emergency medical care under Medicaid (if they are otherwise eligible) and enrollment in the Women Infant and Child (WIC) nutrition program. At the same time *immigrants legalizing under IRCA* (the Immigration Reform and Control Act of 1986) and those granted *Temporary Protected Status* under the Immigration Act of 1990 have been barred from most federal benefit programs.¹

Moreover, IRCA mandated that the states adopt an automated verification system (the Systematic Alien Verification for Entitlements or SAVE system) to screen the immigration status of non-citizen applicants for AFDC and other federal benefit programs.

In addition *legal permanent residents* are effectively barred from receiving most cash assistance during their first three years in the country because during this period their sponsor's income is "deemed" to be theirs when determining eligibility for public benefits. Further, they can be deported as a public charge if they use public benefits during their first five years in the country. More importantly, use of public welfare can make it more difficult for immigrants to bring their relatives into the country.

In fact, the only major immigrant population that is eligible to participate broadly in the nation's welfare state from the date of entry is *refugees*. But as we have seen, refugees represent only roughly 10 percent of new immigrants entering each year. Because they are fleeing persecution, their departure is unplanned; and because they arrive often traumatized by war, there is a strong practical and ethical case for providing them support upon their arrival.

Welfare program participation by immigrants arriving in the past ten years is lower than is commonly believed. The 1990 Census indicates that the share of recent immigrants (i.e. arriving between 1980 and 1990) using public assistance² is surprisingly low — 3.8 percent (see Figure 4). Moreover *almost one half* of all immigrants entering during the decade who were using public benefits in 1989 entered from refugee-sending countries. We assume that the great majority of these persons entered as refugees. *Only 2.3 percent of immigrants entering from non-refugee sending countries during the 1980s were reported to be using public benefits in 1989 — lower than the welfare participation rate of natives (3.3 percent).*

In sum, welfare use among recent arrivals is largely concentrated among refugees, who have, as we have seen, strong equitable claims to its receipt. Furthermore, as Frank Bean reports, welfare use among the overall foreign-born population is marginally higher than the native population, but when we hold constant social and economic characteristics, immigrant households are no more likely to receive public assistance than native households.

IV. Flawed Recent Studies of Immigrants' Public Sector Impacts

Concerns with the public sector costs of immigrants today can be attributed in part to a series of broadly-reported recent studies of the issue. At the outset, we should acknowledge that estimating the economic cost or benefit of immigrants — legal or illegal, recent or long-term — is extremely difficult. Data required to develop estimates for local areas, states, or the nation are generally unavailable as direct measures. Consequently, researchers must fill in the gaps with assumptions. There is nothing inherently biased about this exercise. However, in most of the current studies, the assumptions made have maximized the apparent

¹ Those who legalized under IRCA who had been in the country for at least five years were barred from receiving most federally-funded public assistance programs including AFDC, Medicaid and Food Stamps for a period of five years. Those who legalized under the Special Agricultural Worker Program (SAWS) are subject to the same restrictions but are eligible to receive Food Stamps.

TPS beneficiaries are not considered "permanently residing under color of law" and are, hence barred from most federal benefit programs like AFDC, SSI, etc.

²Public assistance is defined here as SSI, AFDC and General Assistance.

costs of immigrants. Alternative assumptions — often more plausible or reasonable — would produce very different results. In this section of our statement, we critically review the assumptions made and methods used in several of these studies.

Earlier Studies. An excellent review of all major studies calculating immigrants' public sector impacts done through 1991 found that the various studies do not produce a consistent picture across all levels of government (Rothman and Espenshade, 1992). However, some generalizations can be made. Most *national* studies that take account of all levels of government suggest that immigrants are not a fiscal burden on the native population. At the *state* level, the picture is mixed, resulting in part from the differing responsibilities assumed on by differing state governments. At the *local* level, analyses completed in the 1970s and 1980s invariably found immigrants to be a net fiscal burden. However the studies often found that native populations are also a fiscal burden.

Recent Studies. The most recent wave of studies³ has been dominated by several analyses produced by government agencies interested in "recovering" the costs of immigrants and non-profit groups committed to reducing levels of immigration. The results of these studies uniformly find that immigrants impose fiscal burdens on governments and native-born taxpayers. Our own review finds that they vary in quality, but the results invariably overstate the negative impacts of immigrants for the following reasons:

- They systematically *understate* tax collections from immigrants;
- They systematically *overstate* service costs for immigrants;
- *None* credit immigrants for the impact of immigrant-owned businesses or the full economic benefits generated by consumer spending from immigrants;
- Job displacement impacts and costs are *overstated*;
- They omit parallel computations for natives that, when done, show natives are net tax users, too; and
- The size of the immigrant population — particularly the undocumented immigrant population — is *overstated*.

Los Angeles County Study

Of all the studies reviewed here the Los Angeles County study (ISD, 1992) seems to us to be the most careful and uses the best demographic assumptions regarding, for example, the number of illegal immigrants. Still, when Clark and Passel (1993) evaluated the study they concluded that it:

- Understated revenues from immigrants by as much as 30 percent because the study underestimated the income of recent legal immigrants;
- Omitted the contribution of long-term legal immigrants who represent 15 percent of the population and pay 18 percent of the taxes;
- Overstated costs for recent legal immigrants by 60 percent or about \$140 million.
- Failed to clarify that the county-level "deficit" for *natives* is larger than for

³The studies and reference areas are: recent immigrants to Los Angeles County, Internal Services Department (ISD, 1992); undocumented immigrants in San Diego County, Rea and Parker (1992, 1993); undocumented immigrants in Texas, Governor's Office of Immigration and Refugee Affairs (GOIRA, 1993); post-1970 immigrants to the United States, Carrying Capacity Network, Donald Huddle (1993).

immigrants.*

San Diego Study

Two studies of San Diego County by Rea and Parker (1992, 1993) have been released. Both employ methods and assumptions that overstate costs and underestimate revenues. While we have not reviewed the studies in depth, we would like to note that they assume that there are far more undocumented aliens in San Diego County — over 200,000 — than is plausible or can be supported by data. This figure would imply, by the authors' own reasoning, over 4 million undocumented in California and 8–12 million in the United States, numbers which exceed by far any creditable estimates. Indeed, the Immigration and Naturalization Service itself estimates the nation's undocumented population to be 3.2 million.

Carrying Capacity Network Study by Donald Huddle — Estimates for the United States

Donald Huddle (1993) produced a study called "The Costs of Immigration" for the Carrying Capacity Network, a group that advocates substantial reductions in U.S. immigration. Huddle's study estimates revenues from immigrants by inflating the estimates for Los Angeles County (ISD, 1993 cited above) to the national level. Costs are derived by estimating levels of program participation and using per capita cost estimates. The Huddle study is unique in that it includes a significant component of costs allegedly attributable to the displacement of natives from their jobs by immigrants. Overall, Huddle estimates that in 1992 immigrants cost all levels of government a total of \$42.5 billion.

The Huddle study is fundamentally flawed. In fact, if the estimation errors are corrected, the post-1970 immigrants of Huddle's study show a significant *surplus of revenues over social service costs* (Passel, 1993).

Huddle's Revenue Estimates. Three serious errors affect Huddle's revenue estimates. First, he relies on the ISD study's income estimates for legal immigrants in L.A. County. The ISD estimates are for L.A.'s legal immigrants who entered *during the 1980s* but Huddle uses them to represent *all* legal immigrants who *entered the United States during the period 1970–92*. However, the income of these groups differ substantially. Legal immigrants to L.A. County entering between 1980–90 have a per capita income of about \$9,700 according to the assumptions underlying the ISD figures used by Huddle. Our own estimates show that legal immigrants to the U.S. entering between 1970–90 have an average per capita income exceeding \$14,000.

This miscalculation leads Huddle to a second set of errors as he mistakenly extrapolates the incomes of legal immigrants in Los Angeles to legal immigrants nationwide, misspecifying and understating both their incomes and rates at which they are taxed. Huddle's third major error in calculating the revenues collected from immigrants is to omit several major types of tax payments included in the L.A. County study, notably FICA, unemployment insurance, and gasoline taxes. These are, after all, taxes that have a large impact on low and middle income people, like immigrants.

Overall, Huddle estimates that post-1970 immigrants (legal, illegal, and amnesty) paid \$20.2 billion in taxes. *His estimate is at least \$50.1 billion too low!* Where does the shortfall come from?

- \$21.2 billion from understating the incomes of legal immigrants and misspecifying tax rates;
- \$28.8 billion by omitting other taxes paid by immigrants estimated for Los

* The accounting technique employed by ISD generates a large fiscal deficit for both immigrants and natives. This anomalous result occurs because close to 20 percent of the county's revenues were omitted from the study.

Angeles (FICA, unemployment insurance, vehicle registration and fees, and state and Federal gasoline taxes).

In addition, the revenue sources included above and in the L.A. County study account for only about 82 percent of all taxes collected by governments in the United States. Among the principal taxes omitted from both the Huddle and the L.A. County study are corporate income tax, local income tax, commercial property tax and utility taxes.

Since Huddle estimates a "net cost" for immigrants in 1992 of \$42.5 billion, his underestimation of revenue by \$50.1 billion completely offsets the net cost. Thus, within the context of his methods, immigrants actually show a *net surplus* across all levels of government, not a net cost.

Huddle's Cost Estimates. Huddle overstates the costs of immigrants, but not to the same degree as he understates revenues. The major sources of cost overstatement are:

- Erroneous application of ISD's inflated per capita service costs for recent legal immigrants to all immigrants, thereby overstating service costs by 60 percent — \$2.5 billion;
- Use of overstated participation rates and unit service costs for some programs such as Head Start, (i.e., erroneous adjustment for higher payment levels) — \$1 billion;
- Use of *average* Medicaid payments for immigrants who tend to be young, not aged, blind or disabled (Medicaid averages are misleading because such a large share of total program costs goes to pay for the medical costs of the elderly and the disabled) — up to \$5 billion;
- Application of a 50 percent overstatement of the size of illegal population to program participation and costs — \$3 billion.

Huddle does *understate* one area of immigration-related costs by omitting Social Security payments to immigrants who entered the United States after 1970. These amount to approximately \$1.5 billion. In sum, Huddle's cost estimate is overstated by up to \$10 billion.

Job Displacement versus Jobs Created. Most studies of the impact of immigrants on jobs find that *net* loss of native jobs to immigrants is minimal or nonexistent. Yet, Huddle includes a significant component of costs (\$12 billion) which he attributes to social service costs for natives displaced by immigrants. This result is based on Huddle's own, small-scale, limited studies in Houston and the work of Altonji and Card. Yet, the study by Altonji and Card concludes that there is "no effect of immigration on [labor force] participation or employment rates of less-skilled natives" — the reverse of what Huddle claims their conclusion to be. In fact, numerous studies show that migrants produce changes in employment that are larger than their own direct contribution to the labor supply; in other words, each additional immigrant in the labor force adds more than one additional job (Greenwood and McDowell, 1990).

Regardless of the magnitude of the job creation effect, virtually all observers agree that it exists to some degree. Thus, Huddle's inclusion of displacement effects is analytically incomplete without some recognition of the economic contributions of immigrants through businesses they start and the money they spend.

The Huddle study thus understates revenues from immigrants by at least \$50 billion, overstates social service costs by roughly \$10 billion, and erroneously estimates displacement costs at \$12 billion. The net effect of the three components is an overstatement of *net* costs by more than \$70 billion. Rather than a net burden of \$42 billion, immigrants may well generate a surplus in excess of \$25 billion within this rather narrow calculus of revenues and social service costs.

Unlike the ISD study cited above, the Huddle study does not address the collection and distribution of taxes within the federal system and their implication for the burdens borne by state and local governments. Thus, the existence of a net fiscal surplus attributable to immigrants would not necessarily offset the public sector costs imposed by them at the state and local government level.

V. Constraining Access to Welfare for Immigrants: Several Reform Considerations

Partially in reaction to studies such as those discussed above, a number of proposals have recently been advanced to reduce the use of welfare among immigrants⁵. As we understand them, these proposals are intended to achieve two related but rather different purposes: to reduce illegal immigration to the U.S. (by eliminating the supposed welfare lure) and to conserve resources so that they can be spent on native populations.

Efforts to curb undocumented immigration by restricting access to public benefit programs are problematic for several reasons:

1. There is little evidence that undocumented immigrants come to the United States to use public benefits. The fact that benefits are not a major motivating force behind illegal immigration was strongly supported by evidence collected in the WESTAT survey of the legalizing population in the late 1980s which found very low self-reported welfare use among the legalizing population.
2. Since the undocumented are barred from most programs to start, the opportunities for cost savings are limited. If the undocumented are using public welfare services, there is no need for new laws, only enforcement of existing laws.
3. In this regard, the implementation of the SAVE system to verify the immigration status of immigrants applying for welfare does not appear to have had much, if any, impact on levels of undocumented immigration. Moreover, the number of occasions on which the system has "caught" undocumented applicants for benefits have been so few that the State of Texas sought a waiver for its use within its Food Stamp Program.
4. Where public benefits have been extended to the undocumented in the past — emergency medical care under Medicaid or provision of services under the WIC program — the decision has been based on a public interest calculation that it would be cheaper to make the services available than to withhold them.
5. In a similar vein, the rationale used by the Supreme Court in the landmark case of *Plyler v. Doe*⁶ would still obtain today to proposals to bar the children of undocumented immigrants from attending school or receiving AFDC payments. That is, the result would punish "innocents" for the transgressions of their parents⁷ and may end up costing more than it would save.
6. Finally, efforts to use the public welfare system to deter illegal immigration would mean that bureaucrats, doctors and other public employees must be enlisted as what amounts to "junior immigration inspectors." In the absence of reliable ways to distinguish between clients who are and are not undocumented, the potential for discrimination has to be taken

⁵ Several of the most prominent of these proposals would include (1) Governor Pete Wilson's call for a repeal of the birthright citizenship provision of the Fourteenth Amendment to the Constitution, (2) a proposal advanced by the leadership of the Republican party to restrict access to public benefits to citizens, excepting for a term of years, refugees, and (3) a proposal recently debated here in the House of Representatives to extend the deeming requirements for SSI from three to five years.

⁶ 457 U.S. 202, (1982).

⁷ However this complaint has not deterred the states of New Jersey and Georgia from refusing to increase the welfare payments of mothers who bear additional children after having been on the welfare rolls for two years or more.

into account. This is one important lesson we have learned from the introduction of employer sanctions in the labor area.

Constraining access to welfare as a strategy for the purpose of conserving limited public resources also raises design considerations that the Committee should take into account.

1. As we have indicated, when those from refugee-sending countries are excluded from the immigrant group receiving public assistance, the welfare use rate for arrivals entering during the 1980s falls to 2.3 percent. This limits the cost-savings available. The extent of costs savings is also reduced because the average amount of welfare received by refugees is 32 percent higher than non-refugee immigrants (\$5697 vs. \$4313).

2. It appears that the non-refugee immigrant population receiving public assistance is composed of the most vulnerable members of society whose equitable claims to public assistance may be quite strong. For example, the share of aliens receiving SSI who are over 65 is double the share of all SSI recipients — 69.8 versus 37.9 percent (Scott, 1993).

3. Finally, the cutoff of these legal immigrants from federal public benefits may simply shift new costs to state and local governments and to the fiscally-strapped private service providers that serve immigrants. Each of these institutions is already reeling under the impact of the termination of State Legalization Impact Assistance Grant Program and cutbacks in the Refugee Resettlement Program. Indeed a recent national survey of state and local officials that The Urban Institute conducted in conjunction with the State and Local Coalition on Immigration⁸ found that cutbacks in federal refugee expenditures led to such diverse and dysfunctional effects as increased use of local emergency services on the part of refugees and increased pressure on teens to drop out of school and go to work.

VI. Immigrant Policy

At the outset of this statement we noted that immigration to the United States has risen steadily over the course of the past 25 years; that immigrants were highly concentrated in a number of states and cities; and that the pace of population change had been rapid.

A number of other characteristics of the immigrant population are also important to note here. While the education levels of immigrants actually rose during the 1980s, still, roughly one quarter of newcomers enter with less than a ninth grade education (see Figure 5).⁹ Moreover, our own research has recently revealed that the number of immigrants living in concentrated poverty areas¹⁰ has grown roughly *twice* as fast as has the number of native-born in concentrated poverty during the 1980s (see Figure 6). Concentrated poverty has been taken as a measure of severe need in the poverty literature. Further, as the results of the work of Frank Bean suggest, census data reveal that welfare use rises over time for legal immigrants from non-refugee sending countries.

These trends indicate that it may be a mistake to think of these immigrants — the great majority of whom are here with our consent — just in terms of costs and the savings that would result from barring them from public benefits. Rather, we may need to think in terms of the investments that would accelerate their economic and social integration, keep them off welfare in the long run, and, to put it bluntly, avert the formation of a new urban underclass.

⁸ The State and Local Coalition on Immigration is composed of the American Public Welfare Association, the National Governor's Association, the National Conference of State Legislators, the National Association of County and the National Conference of Mayors.

⁹ At the same time, roughly the same share of immigrants enter with more than a college education as the native population.

¹⁰ Concentrated poverty areas are census tracts where 40 percent or more of the population is below the poverty line.

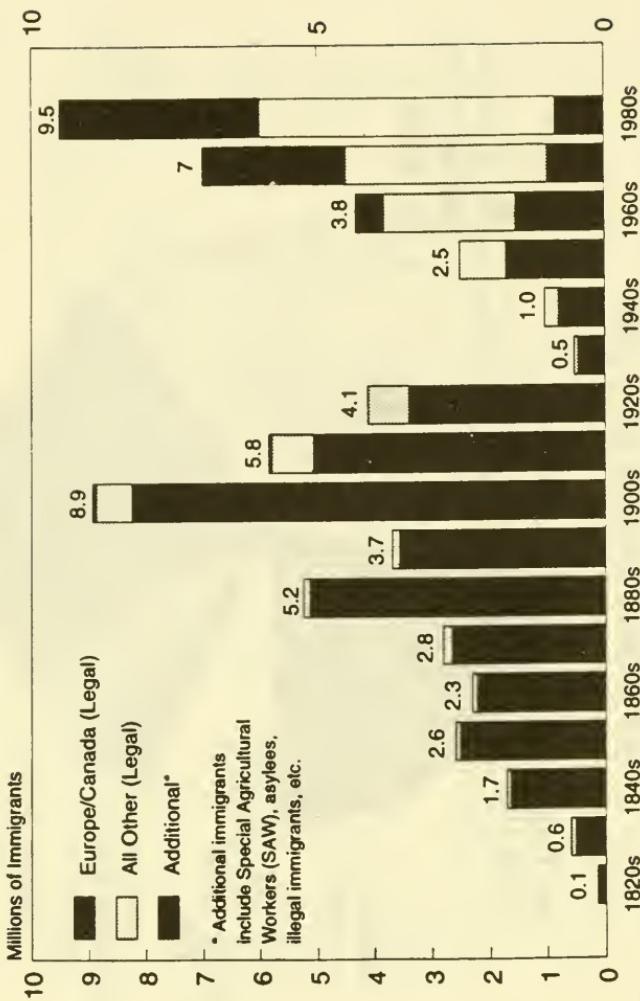
This suggests that excluding immigrants from job training programs — especially those that might teach English language skills — may prove an unrewarding path to follow. We believe that public policy should be moving in the direction of making such services more, not less accessible.

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Figure 1

Immigration to the United States, by Decade: 1821-1830 through 1981-1990



New Immigrants by State: 1990 Census
Figure 2
8.7 Million, Entered 1980-1990

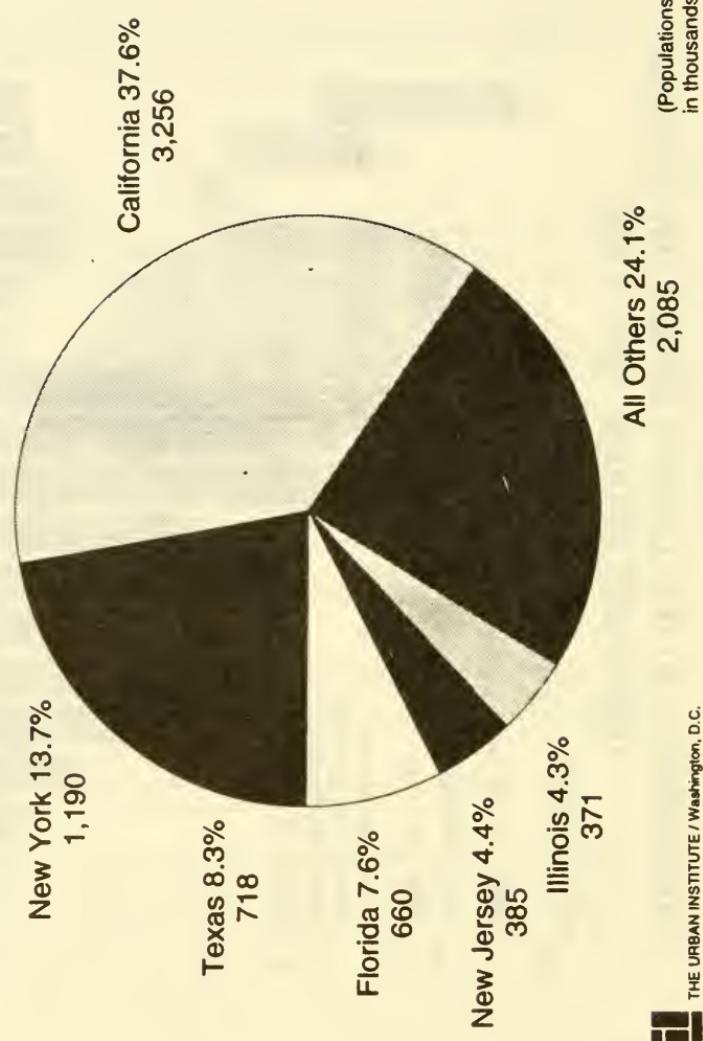


Figure 3
Change in the foreign-born population in selected metropolitan areas: 1980 and 1990

Metropolitan area	1980		1990		Percent change in foreign-born population
	Total foreign-born	Percent foreign-born	Total foreign-born	Percent foreign-born	
U.S. Total	14,210,900	6.1%	19,724,042	7.9%	39%
Riverside-San Bernardino-Ontario, CA	123,700	7.4%	361,582	13.9%	192%
Anaheim-Santa Ana-Garden Grove, CA	265,100	13.5%	586,677	24.3%	121%
Washington, DC*	248,800	8.0%	475,493	13.0%	91%
San Diego, CA	232,300	12.1%	415,298	16.7%	79%
Houston, TX*	242,900	7.9%	430,566	13.1%	77%
Los Angeles-Long Beach, CA	1,701,700	22.3%	2,872,974	32.6%	69%
Miami, FL	602,700	35.5%	877,596	45.5%	46%
New York, NY*	1,954,300	21.0%	2,302,482	27.0%	18%
Chicago, IL*	763,500	10.5%	800,850	13.3%	5%
San Francisco, CA*	514,700	15.5%	471,991	29.0%	-8%

Source: U.S. Census, 1980, 1990: 1% Public Use Microdata Sample U.S.

Note: Marked metropolitan areas (*) are not equivalent in composition over the 1980 - 1990 time period. Of these, all but Washington DC were defined by the Census Bureau as smaller geographic areas in 1990 than in 1980. Nonetheless, the foreign-born populations grew in all but San Francisco.

Figure 4
Welfare receipt in 1989 for natives and foreign-born

(Populations in thousands)

Population	Total population	Number receiving welfare	Percent receiving welfare	Average welfare income
Total	248,124	8,338	3.4%	\$3,634
Native	228,400	7,476	3.3%	\$3,535
Foreign-born	19,724	862	4.4%	\$4,485
Entered 1980-90	8,681	326	3.8%	\$4,975
From refugee countries*	1,188	156	13.1%	\$5,697
All others	7,492	170	2.3%	\$4,313
Entered 1970-79	4,824	220	4.6%	\$4,439
Entered before 1970	6,220	315	5.1%	\$4,010

Source: Tabulations from 1990 Census, One-percent Public-Use Microdata Sample (PUMS).

Note (*): These include all foreign-born persons from countries where refugees represent a large proportion of the immigrant flow during the 1980s. These countries are Afghanistan, Albania, Cambodia, Cuba, Iran, Iraq, Laos, Poland, Romania, U.S.S.R. and Vietnam.

Figure 5
**Educational attainment of native and foreign-born individuals
 25 years or older: 1980 and 1990**

Years of education	1980			1990		
	Native	Foreign-born	Difference	Native	Foreign-born	Difference
Total	100.0%	100.0%	---	100.0%	100.0%	---
0 - 8 yrs	16.7%	35.6%	18.9	8.7%	26.5%	17.8
9 - 11 yrs	15.6%	11.4%	-4.3	14.3%	14.8%	0.5
12 yrs	35.5%	24.5%	-11.0	31.1%	19.6%	-11.5
13 - 15 yrs	15.9%	12.8%	-3.1	25.6%	18.7%	-6.9
16+ yrs	16.3%	15.8%	-0.5	20.3%	20.4%	0.1

Source: U.S. Census, 1980 & 1990, 1% Public Use Microdata 1% Sample U.S.

Figure 6:
Populations By Nativity in Concentrated Poverty Areas: 1970-1990

	1970			1980			1990		
	# in Group in Concentrated Poverty	% of Group in Concentrated Poverty	Group's % of Concentrated Poverty	# in Group in Concentrated Poverty	% of Group in Concentrated Poverty	Group's % of Concentrated Poverty	# in Group in Concentrated Poverty	% of Group in Concentrated Poverty	Group's % of Concentrated Poverty
Foreign Born	133,502	1.5%	3.5%	403,252	3.0%	7.2%	1,052,885	5.3%	10.1%
Native Born	3,641,746	2.6%	96.5%	5,186,199	3.1%	92.8%	9,341,069	4.1%	89.9%
TOTAL U.S.	3,775,248	2.5%	100.0%	5,569,451	3.1%	100.0%	10,393,954	4.2%	100.0%

* Concentrated poverty areas are census tracts with 40 percent or more of their residents living below the official poverty line.

Source: Urban Institute calculations based on the U.S. Census Bureau's Fourth Count Summary Tape (for 1970) and Summary Tape File 3A (for 1980 and 1990).

Chairman FORD. Mr. Simcox.

STATEMENT OF DAVID SIMCOX, SENIOR FELLOW, CENTER FOR IMMIGRATION STUDIES

Mr. SIMCOX. Thank you, Mr. Chairman, for this opportunity to discuss the cost of public assistance and services to immigrants.

Since 1989, the Center for Immigration Studies has conducted studies on the estimated costs of public assistance and services to the legal and illegal immigrant population using direct data where available. Where direct data is not available, which is often the case, we have relied on estimates of public assistance use and tax payments based on census data, local and regional reports, IRS and INS materials, taking into account such variables as earnings of the foreign born, poverty and unemployment rates, skills in training, family and household size, considering those variables in terms of eligibility criteria for the different public assistance programs.

I have contributed to recent studies using similar methods by Dr. Donald Huddle on public assistance costs to immigrants nationally and in the State of California.

While I understand Dr. Huddle is here to discuss these studies fully, I want to note I associate myself fully with the following findings. Direct services to legal, illegal, and amnestied immigrants entering since 1972, in 1992, cost \$31 billion more at all levels of government than were recovered in taxes from those immigrants. The biggest outlay was for public education, including higher education, totaling 36 percent of the total.

Medicaid, AFDC, county social and health services, including medical care for the indigent, and Supplemental Security Income together accounted for almost 46 percent of the 31 billion in net costs. About 80 percent of these costs hit State and local treasuries. This total does not include costs of services to U.S. citizen workers who are displaced from their jobs or whose wages are depressed by less skilled immigrants in the labor market.

The large and rising costs of services and assistance to immigrants in the last two decades is related to their growing numbers—they have almost tripled in two decades—and changing human capital characteristics of much of the immigrant flow. This is because, as someone has mentioned earlier, quite rightly, immigration policy by and large does not choose immigrants primarily for such qualities as productivity and self-sufficiency, but for family connections and humanitarian concern.

Public assistance use among immigrant households is 17.6 percent higher among those households than among all U.S. households. The rate of the poverty among foreign-born persons, 18.6 percent, is 44 percent higher than the rate of the native born. This is noteworthy when we recall, as recently as the 1970 census, foreign-born poverty was lower than the native born. The average amount of assistance received by immigrant households is nearly 28 percent higher than that of U.S. households.

For post-1980 immigrant households, average public assistance received is 52 percent higher than that of all households. A major factor, of course, is lack of education. Immigrants match us in the number of college graduates included in the stream, but far exceed the general population in numbers that have less than high school.

Nearly a quarter of all immigrants have less than 9 years of formal education compared to 4 percent of natives.

Another factor in the rising costs is that 60 percent of all immigrants settle in the States of California, New York, New Jersey, Massachusetts, and Illinois. All of these rank in the top 25 percent of the States in terms of the generosity of their assistance benefits and per capita spending on education.

Two basic sets of policy change, I think deserve consideration. One would be to select future immigrants with more concern for the human capital they bring while slowing somewhat the flow of the unskilled.

The second would be to regulate the distribution of public assistance more prudently than we have in the past, either by limiting access or shifting more of the burden to the immigrant sponsors. Specifically, among other things, we would call for, one, curb on all future illegal immigration; two, a reduction of reunification of non-nuclear families and refugee immigration, while conditioning it more on those two categories on skills and adaptability.

Three, revise the public charge provisions of existing laws to reaffirm the sponsor's obligations and strengthen existing bans on immigrant welfare use.

Four, limit access to income transfer programs not yet covered by any of the excluding legislation, such as earned income tax credit. In 1991, we spent \$7.5 billion at this. And if you would make an estimate of the immigrant receipts based on family size and on the number that are in the zone of low wages, that would bring you—in the zone of income tax credit, something like 15 percent of that amount went to the foreign-born population.

Complete and promulgate the draft rule that has been pending since 1988 to implement legislation now on the books that would bar illegal aliens from publicly assisted housing. Also restrict legal immigrants' use of publicly assisted housing during their first 5 years in the United States.

Members of this committee, thank you for your attention.

Chairman FORD. Thank you.

[The prepared statement follows:]

**TESTIMONY OF DAVID SIMCOX
CENTER FOR IMMIGRATION STUDIES**

My name is David Simcox. I am a Senior Fellow of the Center for Immigration Studies, a non-profit, public interest research and policy analysis group concerned with the effects of immigration on broad national economic, demographic and environmental interests. The general perspective of the Center rests in large part on the findings of the 1972 Commission on Population Growth and the American Future. That Commission—the "Rockefeller Commission"—found that critical national interests would be served by prompt attainment of a stabilized U.S. population through democratic, non-coercive means and, toward this end, limitation of immigration to its average level of the 1970s—about 400,000 a year.

Since 1989 the Center has conducted a series of studies of the costs of public assistance for the immigrant population. This year I contributed data and research support to studies produced by Dr. Donald Huddle of Rice University, Houston, on immigrant public assistance costs nationally and in the State of California, where a third of all immigrants settle.

Heavy Current and Prospective Assistance Costs

While Dr. Huddle will discuss his findings in detail with this Committee, I fully associate myself with the following key conclusions of his study on public assistance costs in the United States:

- The population of immigrants settling in the United States since 1970, using 22 federal, state and local programs of public assistance and services in 1992, generated total direct assistance costs of nearly \$51 billion, but paid only about \$20 billion in federal, state and local taxes—a revenue deficit of \$31 billion.
- Nearly 31 percent of the \$51 billion in direct costs went for public primary, secondary and higher education. Other programs of major use by immigrants in 1992 were: health and social services provided by counties (including uncompensated medical care)—18.5 percent; Medicaid—16.8 percent; bilingual and remedial language instruction—5.9 percent; and Aid to Families with Dependent Children (AFDC)—5.5 percent.
- If the current level of growth of legal and illegal immigration and the estimated rise in per capita public assistance costs are projected over the coming decade, direct public assistance costs to immigrants will total \$780 billion for the next ten years. Only 36 percent of this amount is projected to be recovered from immigrants in taxes.

The foregoing costs are for direct assistance to immigrants only. They do not include the costs of public assistance to U.S. citizen workers who are displaced from employment or experience depression of their wages because of the entry of immigrant workers in the labor market. About 80 percent of direct public assistance costs are borne at the state and local level.

Declining Human Capital among Recent Immigrants

The Center attributes the rising costs of public assistance for the foreign-born population, as well as that population's relatively lower taxpaying power, to shifts in the size, composition and human capital characteristics of the immigrant flow since the late 1960s. These changes have produced higher poverty rates among the foreign born and markedly poorer performance in the labor market than for the native-born population.

The 1990 census showed 18.2 percent of all foreign-born persons to be in poverty — 44 percent higher than the native-born rate of 12.6 percent. Data for the foregoing poverty rates were gathered in 1989. (Recession since 1990 and rising unemployment subsequently pushed the national poverty rate to 14.5 percent in 1992 and sharply increased the number of recipients of food stamps, supplemental security income, AFDC and general assistance. But no detailed figures for increased foreign-born poverty and public assistance use are yet available.)

Census data also showed that 9.1 percent of immigrant households received public assistance, compared to 7.5 percent of all U.S. households — a 17.6 percent difference. (Current levels are somewhat higher due to the 2.5 million illegal immigrants amnestyed by the 1986 legalization program. Those immigrants began becoming eligible for public assistance in mid-1992.) Average annual income from public assistance for immigrant households that received it was \$5,211 in the 1990 census, contrasting with the average public assistance income for all U.S. recipient households of \$4,078 — a difference of 27.8 percent.

These poverty and public assistance figures are for the entire immigrant population. If the analysis is limited to those immigrants arriving since 1980, a more troubling picture emerges: 27.7 percent are in poverty. While 9.1 percent of post-1980 immigrant households receive public assistance, the average public assistance those households receive is \$6,208 annually — 52 percent higher than average U.S. household recipiency. For those immigrants settling between 1982 and 1989, unemployment was 7.8 percent, compared to 6.3 percent nationally.

Some of the post-1980 immigrants' poor earnings are due to their relative youth and/or lack of adaptation to the U.S. labor market. These characteristics are apparent in the significantly lower labor market participation and lower average weekly earnings among immigrants age 16-24 and among immigrants of all ages arriving after 1985. While their earnings are likely to rise with increased experience and improved language skills, other important human capital deficiencies that keep immigrant earnings low are less easily overcome.

According to a 1989 Current Population Survey by the Census Bureau and the Bureau of Labor Statistics, weak educational attainment is a major factor in immigrants' poor earnings. While roughly the same percentage of immigrants and natives age 25 or over are college graduates, the rest of the immigrant population falls seriously below the rest of the native population in years of schooling:

- Well over a quarter of immigrants over age 25 have less than 9 years of education, compared to less than 4 percent of natives.
- 35 percent of male immigrants and 39 percent of females have less than a high school education , compared to 21 percent of U.S.-born males and females.
- The percentage of U.S. natives who had completed 12 years of school or 1 to 3 years of college was about one-and-a-half times the percentage of immigrants.

English Language Deficiency and Linguistic Isolation

Fluency in English is a form of human capital in the United States, the lack of which impairs the economic performance of immigrants. The 1989 survey found 32 percent of all immigrants age 16 and over spoke English "not well" or "not at all." Lack of English fluency was most prevalent among Hispanic immigrants, with 53 percent speaking English poorly or not at all, and among foreign-born Asians, 19 percent of whom lacked fluency.

The existence of large Spanish-speaking enclaves in this country helps explain the lower level of English fluency among Hispanic immigrants. Hispanic enclaves are the largest and most numerous of all ethnic enclaves. The working-age population of Hispanic immigrants — over 6 million in 1989 — dwarfs other ethnic immigrant populations. While other ethnic groups have considerable language diversity and no one language dominates, Spanish is the native language of virtually all Hispanic immigrants, as well as of many of the 7.2 million U.S.-born Hispanics of working age.

A study by the National Center for Health Statistics of racial and ethnic segregation found that the Hispanic population was heavily concentrated within enclaves, and that residential segregation of Hispanics increased during the 1980s. The increase was found likely to be due to the massive influx of Hispanic immigrants in the 1980s, many of whom settled in areas where there were already large numbers of Spanish speakers.

Frequency of Low-Wage Occupations

Immigrants arriving between 1965 and 1981 have been somewhat more likely than natives to work in occupations that are low-paying. But this tendency is far more pronounced among immigrants arriving between 1982 and 1989. About 19 percent of recent immigrants — versus 9 percent of natives — work in service occupations such as food preparation, child care and janitorial services. One fourth of recent immigrants — compared with one-fifth of natives — worked as operators, fabricators and laborers. Immigrants are more than twice as likely to work in farming, forestry and fishing occupations than are U.S.-born workers. The occupations in which recent immigrants cluster are also more likely to experience unemployment and irregular and part-time employment.

Increasing Costs and Wider Eligibility for Assistance

Another factor driving the growth of public assistance spending on immigrants in the last 25 years has been the rise in the value, number and accessibility of public assistance programs available to needy immigrants. The 1982 Supreme Court decision guaranteeing illegal alien children free public education had the effect of confirming the access of that population to other public education programs, such as school feeding and bilingual and remedial English programs. By court decision and subsequent Congressional action in 1985, illegal aliens gained access to medicaid for emergency and pregnancy-related services. Meanwhile, medicaid costs rose at an 11.5 percent annual rate during the 1980s. The per recipient cost of medicaid services in constant dollars doubled between 1972 and 1990.

Federal court decisions and changing administrative regulations by the states effectively relieved immigrants' sponsors from any obligation to support those they had brought in. New programs, such as the Earned Income Tax Credit enacted in 1975, which made no distinctions regarding immigration status, have increased the generosity of benefits for immigrants.

Finally, a major cost consideration has been the tendency of immigrants to settle in states with the most generous public assistance and services. Sixty percent of all immigrants settle in California, Illinois, New Jersey, New York and Massachusetts. These states rank in the top quartile of all states in per student spending on education, and per capita AFDC, supplemental security income and unemployment compensation expenditures.

Immigrant Selection to Match Human Capital Needs

The Center estimates that immigration to the United States is now about 1.2 million yearly — about one-quarter of which is illegal immigration. The remaining 900,000 include legal immigrants, refugees and other humanitarian categories whose entries are likely to remain permanent, such as parolees and asylum applicants. Of this number only about 50,000 are admitted specifically to fill special needs for skill and experience. Admissions under family reunification and humanitarian categories involve no consideration of human capital characteristics. Illegal immigrants necessarily enter with no evaluation of qualifications whatsoever.

The rising share of immigrants chosen or permitted in the past two decades for reasons other than skills or economic potential has made for an increasingly needy immigrant population. The mounting size of the annual intake — which tripled between 1970 and 1990 — slowed economic integration, increased ethnic and linguistic isolation, and depressed wages and job opportunities through "cohort crowding" in major settlement areas.

Remedies: More Selective Immigration Policies

An effective response requires two sets of policies: one set to select future immigrants more carefully to match national economic, labor and demographic needs; the other to regulate more carefully the distribution of public assistance to immigrants.

1. The first and most important step toward reduced public assistance use would be the elimination of all illegal immigration. Illegal immigrants comprise the most needy and least prepared of all immigrant sub-populations. While barred from some public assistance programs, they or their U.S. citizen children remain eligible in whole or in part for public education, public housing, medicaid, AFDC, food stamps, emergency medical care, and the "services" of the criminal justice/corrections system. The easy availability of false identification has impeded the enforcement of restrictions on unemployment compensation, supplemental security income and, prospectively, universal medical insurance. Many of those illegal aliens now excluded from these programs are hopeful of eventually becoming eligible, through legalization, for most of the programs open to legal immigrants. Effective curbs on illegal immigration at the border would also slow the growth of the number of resident asylum applicants, who are eligible for most services as "permanently residing under color of law (PRUCOL)." Tightening enforcement of employer sanctions is also critical to controlling illegal immigration.
2. Legal immigration and refugee flows, in my view, should be reduced from 800,000 to 400,000 a year, applying the following reforms. Limit family reunification preferences to spouses and minor children only of citizens and permanent resident aliens. Limit refugee admissions to the 50,000 normal flow originally envisioned by Congress. Special emergencies requiring higher refugee numbers would be met by limited borrowing from future years or by transferring slots from other immigration categories. In cases where all other considerations are equal, give preference to educational attainment in selecting refugees. Retain the employment-related visa program, with the exception of its unskilled category. Any remaining numbers within the ceiling of 400,000, including "diversity visas," would be combined in a single pool distributed on the basis of criteria such as English fluency, formal education and skills, and kinship to U.S. citizens or residents.
3. For immigrants already in the United States, the following actions would help curb reliance on public assistance and save on public outlays:

- Revise the so-called "deeming" provisions in federal public assistance legislation to make sponsors of immigrants fully responsible for the needs of immigrants who would otherwise seek public assistance. Worth considering are requirements such as pre-entry bonding, required advance purchase by sponsors of health insurance for intending immigrants, and partial recovery of current and prospective public assistance costs through higher fees for petitions and documentation of immigrants.
- Clarify in all public assistance statutes that legal immigrants are ineligible for the first five years of their residence here.
- Make economic solvency of the petitioner a condition for approval of petitions to bring in immigrants. Petitioners who themselves receive public assistance should have petitioning rights suspended until they achieve self-sufficiency.
- Expand and improve the Immigration and Naturalization Service's Systematic Alien Verification of Entitlements (SAVE) program: improve its central index data base by adding social security numbers.
- Complete and promulgate the pending draft rule to implement the five-year-old legislative ban on illegal aliens in public housing. Bar legal aliens from public housing and housing assistance for a period of five years after their arrival.
- The Earned Income Tax Credit (EITC), now costing \$7.5 billion a year, will become an increasingly important and costly program of income transfer under recent legislation. Legislation is needed to bar all illegal aliens and temporary non-immigrant workers from collecting it. Legal immigrants should be barred from EITC for the first five years of their residence here.

Ending illegal immigration, applying greater selectivity to reduced legal immigration, and regulating immigrant public assistance use would produce significant savings while ensuring that America's immigration policies remain among the world's most generous. Slowing the flow of future immigrants will also free public schools and other integrating institutions of our society to better meet their obligation to equip settled immigrants with the skills needed for the increased opportunities the work place will offer, while meeting the needs of the nation's minorities.

Chairman FORD. Mr. Wheeler.

**STATEMENT OF CHARLES WHEELER, DIRECTING ATTORNEY,
NATIONAL IMMIGRATION LAW CENTER, LOS ANGELES, CALIF.**

Mr. WHEELER. Mr. Chairman, I am an immigration attorney. I work for a legal services organization in Los Angeles that specializes in the issue of alien eligibility for public benefits. I would like to begin by underscoring some of the statements made by Ms. Vialt concerning what programs aliens can and cannot get. In doing so, I would like to clear up a misperception that aliens come to this country to get on welfare.

Under current laws, undocumented aliens are ineligible for all forms of Federal benefits except for emergency Medicaid and certain minor child nutrition programs. Thousands of aliens who reside here lawfully are also ineligible for Federal benefit programs. These include nonimmigrants, such as students and tourists, and also include aliens in a variety of immigration categories that are allowed to remain here and work here, such as asylum applicants and persons here due to civil strife in their home country.

As explained, the States and Federal Government implemented a complex computer verification system that screens out ineligible aliens from getting public benefits. This also acts as a strong deterrent in their even applying for benefit programs. The only immigrants who are allowed to receive Federal benefits are permanent resident aliens—in other words, those with a green card—and refugees and certain small categories of people who are here under color of law.

Even for this group of people, there are legal bars to their receiving benefits. Over the last 5 years, people who legalized their status under the amnesty programs have been disqualified from receiving most forms of public benefits. Those who received permanent residency based on family relationship are disqualified from getting certain public benefit programs for a 3-year period due to the sponsor's income being counted toward their income in determining financial eligibility.

Refugee assistance has fallen over the last 12 years from a high of 36 months of assistance now down to 8 months.

In addition, the INS and State Department screen out applicants for permanent residency if they are likely to become a public charge. This would include aliens who are low income, unemployed, disabled or those who have ever received benefits for themselves or family members. This is a very strong, effective deterrent. The public charge ground is currently the most common reason for denying permanent residency to an applicant.

As Mr. Bean and Mr. Fix have shown, studies show that lawful immigrants who are entitled to receive Federal benefits get them at about the same rate as the U.S. population at large. This is true even though recent immigrants have lower incomes and are in greater need of language skills, job training, and other programs that help persons adjust to this marketplace.

In response to Ms. Parker's comments about aliens' receipt of public benefits in California, let me point out the results of a study conducted this year by the California Senate Office on Research. They concluded that recent immigrants receive welfare at only

slightly higher levels than the native-born population. And for those immigrants who have resided in California for over 10 years, they received welfare, Social Security, and other forms of public assistance at slightly lower levels than the native-born population.

Let me give you a couple of examples of what would happen if there are continued, further restrictions on aliens' access to Federal benefits. Our office receives a lot of calls from persons who want to know, given their alien status, what their access to Federal benefits is. We get a lot of calls from people who have been victims of domestic violence. In the typical case, the woman is an alien, the husband is a U.S. citizen and they have at least one U.S. citizen child. The husband has beat her, forcing her to go into a battered women's shelter. She has no family support network to fall back on. Without access to food stamps and AFDC, she and her children would literally be forced into indigency. Without access to job training, she would find it very difficult to ever get a decent job and to break the cycle of poverty. With these programs, she is given an opportunity to overcome this hardship and gain self-sufficiency.

Another typical call might come from a farm worker who has been injured on the job and is now disabled. Farm workers in many States are ineligible for Worker's Compensation, and most have not worked long enough to qualify for Social Security. If this person were legalized under the amnesty program, this person would be eligible for SSI. If that were taken away from him, that might be the only source of income that would have enabled him to reach some level of self-sufficiency.

Finally, I think it is important to distinguish between arguments to limit further immigration and arguments to restrict aliens' access to Federal benefits. Mr. Simcox and others in the next panel believe strongly there are too many immigrants here, both legally and illegally, and that we need to take measures to stop this flow. Whether they are right or not is really not relevant to the question of whether aliens who are lawfully in this country should be further restricted to access to Federal benefit programs.

There is no credible evidence that access to a Federal benefit programs acts as a magnet drawing immigrants here. The fact that some undocumented women receive county health care in Los Angeles or that elderly people get on SSI does not mean that that is the reason that they come to the United States.

In the same way, there is no evidence that depriving them of future access to these programs would in any way deter them from coming into the country either legally or illegally. Depriving immigrants from subsistence programs or vital medical care would have serious consequences, both economic and health related, for the population at large.

Finally, everyone who has worked with immigrants knows the reasons that they come to the United States. They come here to join family members. They come here to work. And they come here to flee persecution in their home country. They do not come here to get on welfare.

Thank you.

Chairman FORD. Thank you very much, Mr. Wheeler.
[The prepared statement follows:]

U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS

Hearing on the Impact of Immigration on Welfare Programs

Monday, November 15, 1993

Written testimony of Charles Wheeler
National Immigration Law Center
Los Angeles, California

Synopsis

Undocumented aliens are ineligible for federal public benefit programs, except for emergency medical care and some minor health and food supplement programs. Compared to the native-born population, documented aliens underutilize federal benefit programs. Further reduction in alien access to federal programs will not result in significant cost savings but will severely disadvantage those most in need: refugees, the aged and disabled, or those with acute medical problems. In addition, further restrictions will simply result in shifting the cost of caring for these persons to the states or counties. There is no evidence that access to federal programs acts as a magnet to foreigners or that further restrictions would discourage illegal immigration.

Immigration Terms and Statistics

To understand the how immigrants impact on the welfare system, it is first necessary to know how immigration laws classify them. In addition, it is helpful to know how many immigrants, both documented and undocumented, are currently residing in the country, where they are living, and how these numbers compare with those of prior years.

An "immigrant" is any person from another country who is residing in the U.S. on more than a temporary basis. In contrast, "nonimmigrants" are foreigners who enter the U.S. for a specific purpose and for a limited period of time. Examples of nonimmigrants include tourists, students, or visitors on business.

Immigrants are either "documented," "undocumented," or here "under color of law." Documented immigrants are also referred to as permanent resident aliens, and they possess a "green card," or resident alien card. Permanent resident aliens enjoy almost the same the rights as U.S. citizens, except they cannot vote, cannot work in most government jobs, and can be deported if they commit certain acts. Most aliens who become permanent residents obtain that status in one of four ways: (1) through relationship to a U.S. citizen or permanent resident alien; (2) based on their employment skills or advanced degrees; (3) one year after being granted refugee or asylum status; or (4) through certain programs that reward long residence in the country, such as the 1986 amnesty program.

Undocumented aliens are persons who either entered the country illegally or who, after entering lawfully, subsequently violated the terms of their visa.

Lastly, the Immigration and Naturalization Service (INS) allows several groups of aliens to live and work in the U.S. because they qualify under certain temporary immigration programs or because of the equities in their case. For public benefits eligibility, these persons are considered to be residing here "under color of law." They include the following: persons granted refugee or asylum status, based on their fear of being persecuted if they were returned home; persons allowed to enter the country due to humanitarian reasons (i.e., granted "parole"); amnesty aliens' spouses and children who have resided here for eight years (i.e., granted "Family Unity"); persons whose enforced departure has been deferred, such as some Chinese students and over 100,000 Salvadorans; aliens who are allowed to stay here due to current civil strife in their country (i.e., granted "temporary protected status"); and applicants for certain immigration benefits.

One in twelve persons in this country, or over eight percent of the U.S. population, is foreign-born. Each year for the last three years, approximately 800,000 persons have been granted permanent resident status. This current level represents the largest annual influx of immigrants to this country since the beginning of the century, and shows a steady increase for the last several decades. For example, during the 1970s, an average of 440,000 persons immigrated lawfully to the U.S. each year; during the 1980s, approximately 730,000 persons immigrated each year. Apart from these figures, almost three million formerly undocumented persons immigrated under the 1986 amnesty programs. Seventy percent of all lawful immigrants now reside in six states: California, Florida, Illinois, New York, New Jersey, and Texas.

Recently, the INS has released statistics on the undocumented alien population in the U.S. as of October 1992. It estimates that 3.2 million aliens are residing here illegally. Eighty-five percent of these aliens reside in the six states mentioned above, with California absorbing almost 1.3 million, or 40 percent of the total. Estimates are that the U.S. absorbs an additional 200,000 to 250,000 undocumented persons each year.

Alien Eligibility for Public Benefits

The following chart summarizes the current alien restrictions on federal benefit programs.

PROGRAM	ALIEN'S STATUS							
	Lawful Permanent Resident	Granted Family Unity	Refugee/Asylee	Parolee, Cuban/Haitian Entrant	Granted Temporary Protected Status	Granted Deferred Enforced Departure	Asylum Applicant	Undocumented
CASH								
AFDC	Yes	Yes	Yes	Yes	No	No	No	No
SST	Yes	Yes	Yes	Yes	No	Yes	No	No
Unemployment Insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes (if work-authorized)	No
Refugee Assistance	Yes, if Amer-asian, former refugee or asylee	No	Yes	Yes, if paroled as refugee or asylee or if national of Cuba or Haiti	No	No	No, unless national of Cuba or Haiti	No, unless national of Cuba or Haiti
MEDICAL CARE								
Medicaid	Yes	Yes	Yes	Yes	Emergency services	Yes	Emergency services	Emergency services
FOOD								
Food Stamps	Yes	Yes	Yes	Yes	No	No	No	No
WIC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
School Lunch & Breakfast	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
EDUCATION								
Headstart, K-12	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Title IV Federal Loans	Yes	Yes	Yes	Yes	Arguably yes	Arguably yes	Arguably yes	No
JTPA	Yes	Yes (if work-authorized)	Yes	Yes	Yes (if work-authorized)	Yes (if work-authorized)	Yes (if work-authorized)	No

The following conclusions can be reached regarding alien eligibility for federal programs:

- Undocumented aliens are ineligible for all major programs, except for emergency Medicaid. Their undocumented children can participate in some minor food supplement and nutrition programs, such as WIC and school lunch, as well as primary and secondary education.
- Nonimmigrants (e.g., tourists) are ineligible for all federal benefit programs.
- Permanent resident aliens are eligible for all federal benefits, but due to "sponsor deemed," explained below, cannot access these benefits for at least three years.
- Aliens who are residing "under color of law" (e.g., refugees, parolees) may be eligible for some federal programs, depending upon their current immigration status.

Documented Aliens' Use of Federal Benefits

Most studies indicate that, compared to the native-born population, documented immigrants make less use of federal benefit programs and are less likely to become dependent on welfare. For example, in 1993 the California Senate Office of Research determined that only 3.8 percent of California's long-term immigrants received welfare, social security, or other forms of public assistance, compared with 4.1 percent of the state's native-born households. Among those aliens who arrived within the last ten years, their receipt of welfare was only slightly higher than the native-born population. The California Department of Finance made similar findings in 1992: while legal immigrants make up 22 percent of the population of California, they represented only 12 percent of the state's population receiving AFDC. Studies from other states confirm that immigrants are no more likely to receive welfare than native households.

Underutilization of federal benefits is due to factors other than income, since recent immigrants are generally less educated, less proficient in English-language skills, command lower earnings, and experience more frequent periods of unemployment than the native born. The reasons for this underutilization include cultural factors, ignorance, concern for the immigration consequences, and specific statutory bars. The legal bars include the following:

- Aliens legalized under the amnesty programs were ineligible for five years from receiving AFDC, food stamps, and Medicaid.
- Aliens granted temporary protected status are ineligible for AFDC, SSI, food stamps, and Medicaid.
- Persons who immigrate based on family relationship are typically ineligible to receive AFDC and food stamps for a three-year period because the income of their "sponsor," the person who completes an affidavit of support to assist their immigrating, is deemed to the alien. For the SSI program, Congress recently extended this sponsor deeming to five years.
- Persons eligible to immigrate are advised not to apply for public benefits for themselves or their citizen children out of justifiable concern that the INS will consider them a "public charge" and ultimately deny them permanent residency.
- Permanent resident aliens can have their lawful status rescinded and be deported if they become a public charge within five years of immigrating.

Undocumented Aliens' Use of Federal Benefits

The federal government and states have implemented a sophisticated computer verification program (SAVE) that screens out undocumented aliens who attempt to gain access to federal cash and medical programs. Since undocumented aliens are ineligible for federal assistance programs,

and since applying for them risks detection by the INS, few aliens obtain federal benefits. Studies indicate that undocumented aliens fail to take advantage of even those few programs for which they do qualify. INS studies of the amnesty population indicate that in the year before these aliens legalized their status, 25 percent of their health costs were paid by the government, while for the U.S. population at large, 53 percent of health costs were paid by the government. Since health care and prescription medicines are significantly cheaper in Mexico, most undocumented aliens from that country (as well as some U.S. citizens living near the border) receive treatment there.

Because of undocumented aliens' reluctance to access federal programs, many U.S. citizen children are similarly deprived of these benefits. The INS studies of the amnesty population indicate that the typical household had at least one U.S. citizen child. Citizen children from these "mixed" households, who were eligible for food stamps or AFDC, were often deprived access based on their parents' ignorance, fear of INS detection, or concern for the future immigration consequences. In San Francisco, another study supported this conclusion, citing evidence that 23 percent of the undocumented Latina women surveyed had U.S. citizen children eligible for welfare while only 5 percent accessed these benefits for their children.

Immigrant Tax Revenues Versus Receipt of Benefits

Recently, much focus has been placed on whether immigrants "pay their fair share" in taxes compared to what they receive in benefits. Almost all the studies that tried to measure this concluded that immigrants, both in the short term and long term, pay far more than they take out. For example, *Business Week* in 1992 concluded that immigrants annually pay \$90 billion in taxes and receive only \$5 billion in federal benefits. Some of the reasons for this are that immigrants typically arrive when they are young and healthy, work on average more hours per week than the general population, and come from countries where similar benefits are unavailable. In fact, the U.S. receives a windfall from undocumented immigrants, who are ineligible for state and federal benefits, including unemployment compensation and social security, but nevertheless are required to pay into these programs through taxes and payroll deductions.

Even a study commissioned by Los Angeles County, criticized for using faulty methodology and undervaluing immigrants' contributions, concluded that undocumented immigrants in that county paid at least \$4.3 billion dollars in state, federal, and local taxes during the 1990-91 fiscal year while they took out only \$947 million in public benefits.

Yet these studies also reveal a gross disparity: while most of the costs of providing for the education and health care of this population is borne by the states and counties, most of the tax contributions flow to the federal government. The Los Angeles County study determined that because two thirds of the tax revenues went to the federal government and only 3 percent to the county, the county incurred a net loss of over \$800 million dollars in public services.

Consequences of Further Restrictions on Access to Federal Benefits

Federal benefit programs obviously serve a variety of interrelated purposes, but they are aimed at enabling the recipient ultimately to become more productive and self-sufficient. Many programs provide short-term assistance to allow the person to recover from a health-related problem or disability, survive a period of temporary unemployment, or overcome a language or job skills deficiency. Cash and food supplement programs provide basic nutrition so that children can maintain normal development.

As a society, we provide needed health care for both humanitarian and economic reasons: it would be inhumane, impractical, and unhealthy for the broader community to withhold vital health services based solely on a patient's income or immigration status. Also, requiring hospitals to verify the citizenship or lawful immigration status of persons in emergency rooms could impact on citizens' receiving prompt care. It is well recognized that dollars spent on prenatal care significantly lowers the later costs of treating poor birth outcomes. Similar reasons support efforts to treat and prevent the spread of infectious and communicable diseases, such as tuberculosis.

Health care, education, and job-training programs that benefit immigrants should be seen as investments in the future development of our country's residents. Education is often viewed as one of the most important determinants of the need for public assistance among all populations.

It is both unjust and unwise to pit citizens against aliens when deciding between various budget-balancing mechanisms. The immigrant population has as great, if not a greater, need to access federal resources. As most major cities have long since discovered, it is not in society's interests to view the needs of the immigrant community as separate or in competition with those of the native-born population. Lawful immigrants are no less "deserving" than citizens when weighing their relative equities. If one agrees with the Supreme Court's premise in *Plyler v. Doe* that it serves no purpose for a state to withhold basic education from undocumented children and create a permanent subclass of illiterate persons, then society as a whole gains nothing by trying to isolate immigrants in other ways and deprive them of the tools that will assist in their integration and progress toward self-sufficiency.

The federal government has been steadily curtailing funding for programs that assist immigrants for the past twelve years. For example, during that period federal refugee resettlement assistance was reduced from 36 months to 8 months, while the federal contribution to refugees' receipt of state categorical aid was completely eliminated. Total federal expenditures fell from over \$6,000 per refugee in 1982 to roughly \$1,000 per refugee in 1993. Title VII Bilingual Education has suffered a 47 percent decline in real expenditures between 1980 and 1991. This came at a time when from 1985-90 the number of students who were considered "limited english proficient" was rising by 52 percent. Finally, Congress has repeatedly deferred release of the remaining \$823 million in State Legalization Impact Assistance Grant (SLIAG) funds to help defray states' increased health, education, and public assistance costs related to the newly legalized immigrants.

States in turn are cutting back on the services they provide to immigrants in the way of general assistance, indigent health care, and English-language instruction, by reducing funding or by implementing their own alien restrictions.

By further reducing alien access to federal programs, the federal government will merely be shifting the burden of providing these services to the states or counties. This would be especially ironic, given that (1) the federal government determines the numbers of lawful aliens allowed to enter the country and is charged with border enforcement to prevent illegal immigration, while the states have no control over these matters; (2) certain states and localities are disproportionately impacted by recent immigrants, both documented and undocumented, and are forced to shoulder the burden of their socialization, education, and other basic costs; (3) as immigration over the last ten years has increased, these impacted areas are becoming increasingly unable to meet these demands, especially in the current sluggish economy; (4) some of these benefits, such as emergency health care and education, are federally mandated; and (5) as mentioned above, the federal government, rather than the states or counties, is the principal recipient of the tax revenues paid by the immigrant population.

If undocumented aliens are precluded from accessing emergency Medicaid, private hospitals will be forced to absorb more of these costs. Since state and federal laws now prohibit hospitals from refusing to treat indigent persons facing a medical emergency or who are in active labor, the hospitals will have to shift these costs to their paying clients, resulting in further rise in health insurance costs.

Does Welfare Act as a Magnet?

Finally, there is no evidence that public benefit programs in the U.S. serve as a magnet to persons seeking to immigrate to the U.S., either legally or illegally. Although there is recent evidence that undocumented women in Los Angeles rely on emergency rooms in county hospitals for the delivery of their babies, this speaks more to the unavailability of affordable health care or other alternative methods for covering their health costs. People immigrate to the U.S. to work, to join other family members here, to flee persecution, or to generally improve their standard of living, not to go on welfare.

Conclusion

History has taught us that even though we are a nation of immigrants, we tend to admire only past waves of immigrants while doubting the potential contributions of the newest batch of arrivals. We overstate the adverse effects of recent immigrants while praising our forefathers for their courage and hard work. It is of course ludicrous to measure human worth by merely examining tax contributions or short-term receipt of public assistance. By employing only fiscal impact analyses, we ignore some of the main justifications for our current immigration policy: reunifying families, providing refuge to the persecuted, and ensuring balanced ethnic diversity. By unduly restricting immigrants from access to federal benefits, we similarly undermine the purpose behind these programs: to assist persons in reaching self-sufficiency and realizing their full potential. Since it has been proved that immigration has long-term positive socioeconomic benefits to the nation as a whole, it is in everyone's interests to invest in this human capital.

Chairman FORD. You have said in your testimony that immigrants are not huge financial burdens on this country and contribute much more in the form of taxes, than they receive in public assistance.

How would you respond to the many witnesses that have testified on this panel—and witnesses who would be testifying later today—that immigrants are a burden on this country because they take much more than they give?

How do you respond to this public debate?

Mr. WHEELER. First of all, I am not a social scientist researcher, but I have read the studies and even the studies that overstate public benefits receipt still tend to show that most of the tax contributions go to the Federal Government.

In the L.A. study, for example, that was very controversial, it showed that immigrants were receiving far more benefits on a local level. It showed that they were in fact contributing far more to the Federal Government in taxes that they paid over the long run; something like \$4 billion in tax money went to the Federal Government in 1 year, versus about \$1 billion that was taken out for local and State benefits. So I think—

Chairman FORD. I guess in reference to what Mr. Fix indicated earlier, and according to what Ms. Parker has testified, California might be the wrong State to use, but State dollars are fewer than Federal dollars.

Mr. WHEELER. That is true. In fact, I would agree with the witnesses who basically are stating that more money needs to come from the Federal Government to those heavily impacted areas.

Chairman FORD. Why is there such a disparity between your testimony, the public perception, and the testimony of some witnesses today?

Mr. WHEELER. Well, I think that myths die hard, first of all. This myth that aliens come here to get on welfare certainly has been with us a long time. Even though countless studies that show just the opposite have been around also for many years, I think that people tend to believe what they want to believe.

Many people are frustrated with the high levels of unemployment, for example, in California, and they look for justification. They look for scapegoats, basically, and I think that immigrants have been victims of a lot of scapegoating lately, particularly in California.

Chairman FORD. Ms. Parker mentioned that 85 percent of all of the immigrants end up in five States?

Ms. PARKER. Five States.

Chairman FORD. California being one of them, she talked about the high number of immigrants in California.

Ms. Parker, I guess I would yield to you on this particular question.

What do you suggest? How should we solve this problem as it relates to cutting illegal immigrants from the list so as not to impose upon these five States in such a dramatic way?

Ms. PARKER. Well, Mr. Chairman, I think we have talked about a number of policies to look at with respect to illegal immigration. I think, as myself and many of the panel members have talked about today, immigration is really—there are several categories.

What you talk about doing with refugees is different than what you may be talking about with IRCA Amnesty individuals or illegal aliens.

Unfortunately, California is impacted greater than any other State by—

Chairman FORD. What determines the legal aliens and their location? I know that in California you have very high public assistance payments, especially the SSI State supplements.

Ms. PARKER. Our SSI payment is also very high, yes.

Chairman FORD. You supplement what the Federal Government pays.

Ms. PARKER. Yes, we do, yes. I think what I would try to do is kind of make two comments to the last gentleman's comments.

One of them is that there was a study that was recently done out of Los Angeles, the University of California Latino Population Research Program, and what they did was interview women who crossed the border to essentially have their child; and they made note that of the 50 million border crossings that occur at two checkpoints a year, many of those are made for the acknowledged purpose of health care. And it was a particularly interesting statistic that 75 percent of the women who were questioned said that if they had a second birth that they would again cross because of the desire to obtain U.S. citizenship for their infants, because of the substantial gains in quality of life as far as education, health care, et cetera.

So I think there is—it is a real difficulty, talking about the magnet effect of benefits. Obviously, these are not benefits to people who are here illegally, but if they have children here, their children are the beneficents of a full scope of health care, education; and we do provide cash assistance for that child, which is available to the family to take care of it.

Why they pick California as opposed to—or those five States as opposed to the remaining States—you know, certainly our proximity. If you look at the five States in question, most of—a good many of them are border States.

Chairman FORD. New York is not.

Ms. PARKER. That is correct. But I am saying California, who has over 50 percent of the illegal immigrants, is a border State.

Chairman FORD. Is there any way to spread that around? Is there any formula on policy?

Ms. PARKER. What I talk about in my remarks, we would certainly like to have some policies at the Federal level that would assist with this. Our Governor has talked about a number of ways to deal with, perhaps, better controlling the borders so we don't have illegal immigration. But as far as spreading them around, certainly it is difficult to do that with illegals, but it is certainly possible, I think, under the refugee program with resettlement.

We have a very large refugee population and a good part of it has happened because of secondary migration, second-wave migration from being first resettled in one community and then coming to California as a secondary migration.

So I think that it kind of depends on which group you are looking at, how different policies, particularly at the Federal level, might be developed to look at it.

Chairman FORD. Can you respond to the response of Mr. Wheeler about contributions that immigrants are making? Can you respond to contributions they make as it relates to your State of California?

Ms. PARKER. Well, I think clearly, as I have mentioned, given our population statistics, we have an incredibly diverse population. I think that there are a number of people, including Dr. Huddle, that can give you some of the numbers, talking about their contributions from the standpoint of taxes paid versus government services received; and I think I will leave those remarks to him.

But the comments are essentially made that—following the other panelists' comments, that a greater percentage of dollars go to the Federal Government and the greater cost of services really are borne by the State and local.

But I think that it is—and another interesting article is some research done by Dr. George Borjas, who has essentially made some comments about the impact of illegal immigrants, frankly, on legal immigrants; and that is something that has been noted by our Governor, that frankly illegal immigration has had an impact of actually putting a disadvantage on those people who have come across legally—they compete for their jobs or they depress the wage market—and in that sense, making jobs harder for them to get, or the wages, in order for them to provide for their family.

We are in a situation right now where we are in our 41st month of recession; we have lost over 800,000 jobs. It continues to amaze me why anybody is coming to California for a job, because we have lost so many and continue to be in a decline.

Chairman FORD. Mr. Fix, you mentioned in your testimony that there is great concern that immigrants have a negative impact on the labor market. What accounts for the apparent disparity between the public's concern about the adverse impact of immigration on the welfare programs and the job market, compared to research evidence?

Mr. FIX. To some extent, it is a function of the research, much of which is dated by now. When we look at the growth of jobs in the mid- to late-1980s, what one sees is broad job growth, with 7.7 million jobs being added to the U.S. economy.

But in the period that is most palpable to us, 1989 to 1992, we see that the economy grew by only 250,000 jobs for that 3-year period.

I think people have internalized that very low rate of growth and feel, as the President has indicated, a certain level of insecurity about it—which spills over into the questions of welfare use and job insecurity and spills over, in turn, to the issue of immigration.

What we see, then, is a historical phenomenon. In times of plenty, we ignore immigration and immigrants, and in times of scarcity, we become quite frightened of them.

Chairman FORD. Mr. Bean, you have done research on categories of aliens in the job market. Does this characterization of these aliens make a difference in determining whether these individuals will become a public charge or self-supporting?

Mr. BEAN. If I could, I would like to speak briefly to this question about labor market impact.

I think part of the difficulty comes from the fact that we keep trying to make it one thing or the other. We keep trying to insist

that immigrants are either bad in their effects or that they are positive in their effects without considering the possibility that positive and negative effects might occur under different circumstances.

I have done—

Chairman FORD. Both might be what?

Mr. BEAN. In some parts of the economy the effects might be positive, and in other parts of the economy the effects might be negative; in addition, as Mr. Fix noted, most of our evidence on this question is old—it dates back more than 10 years. We just now are starting to get some more recent evidence on this question.

I have recently finished a study that tries to look at the labor market impact of immigration on African-American unemployment rates. And what I found, consistent with this hypothesis, is that it depends. In looking at cities in the United States—that is, at metropolitan statistical areas as classified by the census, some 250 of them—in those places that had relatively robust economies, immigrants seemed to have a positive effect; that is, the more immigrants that were there, the lower the unemployment rates among African-Americans. This was in about 200 SMSAs.

However, in the 50 or 60 or so SMSAs that did not have such robust economic situations, the effects did not seem to be so positive. There was evidence in those cities of possible competition in the labor market and higher resulting unemployment rates in the case of the African-American population.

So, in part, I think it depends on what is going on; the effects are not necessarily always positive, nor necessarily always negative. Rather, it may depend on the situation.

Chairman FORD. Mr. Fix, you said that immigrants do not have a negative impact on the labor market opportunities for citizens, but may have an effect on the earnings of citizens. Is that what I understood you to say?

Mr. FIX. I don't believe I did say that. As Dr. Bean's research indicates, that in economies that are growing, immigrants tend to have a positive impact both on employment and on wages; but in economies that are declining, it could be the case that they have a slight depressing effect on wages and on employment.

This is research that is emerging now and it is very contested intellectual terrain. I think you are hearing a lot of exaggerated claims here, on the one hand that immigration has no effects and on the other that there is a huge displacement effect. The people who claim that there are huge displacement effects ignore the fact that immigrants create jobs and spend money.

Chairman FORD. Mr. Camp.

Mr. CAMP. Thank you, Mr. Chairman.

Ms. Parker, if welfare payments, Federal welfare payments, to noncitizens were prohibited, what would be the effect on California?

Ms. PARKER. Mr. Camp, welfare for AFDC? If AFDC were prohibited to illegal—

Mr. CAMP. Yes, all Federal—

Ms. PARKER. They are currently not eligible to receive Aid to Families with Dependent Children. Their citizen children, however, are.

Mr. CAMP. All noncitizens, so there would be those that were here—

Ms. PARKER. Well, again, I am a little confused. If their child is born here, the child, under the 14th amendment, is a citizen with all due rights.

Mr. CAMP. There is an adult portion to that, too.

Ms. PARKER. The adult is not aided. The aid is for the child only. It is several hundred dollars a month in California for the child. The parents are not aided if they are illegal. The case is considered a citizen child case only, and the parents—the money is given to the parents for the child.

Mr. CAMP. What I want to get at is also SSI and other Federal welfare payments. What do you think would be the effect if those were prohibited?

Ms. PARKER. Well, I think one of the things that we talk about is the benefits that are provided, we believe, in California, provides a magnet effect from the standpoint we believe that people come to California because of the grant amounts, the ability to get health care, the ability to get education for their children, to get citizenship for their children.

So I think that one of the things the Governor in our State has called for as part of a broader package of reforms centered around immigration is to essentially try to eliminate that magnet effect. It is just one thing.

So we believe that by eliminating those benefits, that it would provide a disincentive for people to cross the border; as clearly, as I noted in the study that was done by UCLA, women are crossing the border to have their children become citizens. If that was not available to them, if aid was not provided to them, that may provide a disincentive for them to come.

Mr. CAMP. OK. Thank you.

Mr. Fix, in your testimony, you state that in your opinion a number of the recent studies on welfare spending on immigrants are flawed and some have produced estimates that are too high and so forth. But I have information from the Congressional Budget Office that in 1998 American taxpayers will spend almost \$7 billion on SSI, Medicaid, and food stamps for noncitizens. Does that number fit or do you have any problem with that number?

Mr. FIX. No. The census-based evidence that I reported to the committee indicates that for immigrants who arrived within the last decade, 1980 to 1990, their use of welfare was really quite surprisingly low; and so it could very well be the case that immigrants who arrived prior to those dates have higher levels of benefits use.

And we also indicated that spending on refugees was considerably higher than on nonrefugees, but refugees are admitted under different criteria. They are admitted under—

Mr. CAMP. This number would not include refugees, but most noncitizens—but you don't have any quarrel with the \$6.8 billion?

Mr. FIX. To be candid with you, Mr. Camp, I haven't seen the number and so I haven't examined it. But I have a great respect for the Congressional Budget Office, which is directed by a former boss of mine.

Mr. CAMP. Mr. Wheeler, I have a couple of questions I wanted to ask you. First, are there any other countries in the world that

offer noncitizens the kind of welfare services that the United States provides, as examples?

Mr. WHEELER. I am not an expert on other countries' benefits programs, but I would assume that most of the countries in north Europe provide actually more benefits than we do.

Mr. CAMP. Do you know of any countries' names I could follow up on?

Mr. WHEELER. Sweden, England, Germany.

Mr. CAMP. I just mentioned a CBO study that indicated we spend about 7 billion in Federal dollars per year on those services to noncitizens. Do you think that is about the right amount to spend or should we be spending more?

Mr. WHEELER. I think it would depend on what our total amount of expenditures is in that year. For example, I have statistics that show that in 1998 approximately \$258 billion is spent in total for Medicaid, food stamps, SSI, and AFDC, but that also includes veterans' benefits and other minor programs.

It would depend on what the proportion of aliens in the United States were. In other words, does \$7 billion, compared to \$258 billion, roughly translate to the amount of aliens who are in the country now, compared to U.S. citizens? And roughly it is about 9 percent of the persons in the United States are foreign born, so if that translates—I haven't done the math, but if that works its way out, I would say that is about right.

Since these people pay taxes to the Federal Government, I would think that they would also be entitled to receive benefits.

Mr. CAMP. I will get to that tax issue in a minute.

What rationale then would you give to citizens for this kind of spending? I mean why do you think this should occur and continue, and obviously increase if the immigrant pool increases, according to your comments?

Mr. WHEELER. Well, I think that you have to look at the whole purposes behind public benefits, and that is basically to get people through critical periods of hardship and also to move them to a period of self-sufficiency. Immigrants have the same needs as U. S. citizens. Some of them, in fact, have greater needs.

If you look at refugees, these are not people who come here with a lot of long-term planning. They are plucked up and come here due to crises in their home country. Therefore, we need to expend certain moneys to bring them up to speed so that they can compete in the local economy.

Mr. CAMP. If you take political refugees out of the equation, would your comments change?

Mr. WHEELER. Well, if you took refugees, which represent the vast majority of the aliens who get benefits, I would still think the same principles would apply. In other words, if somebody is forced into a situation where they have to get emergency medical care, I don't think just because of their immigration status, they should be denied that.

Mr. CAMP. You mentioned in your testimony some studies regarding the tax payments that immigrants make and that they exceed the amount of welfare benefits immigrants receive. Are those published studies or can you share those with the committee?

Mr. WHEELER. I can certainly share them with you, and I think certainly Mr. Fix has copies of them as well, and maybe he would like to cite them by verse. Certainly. Business Week came up with statistics showing that \$90 billion was paid into the Federal coffers where \$5 billion was taken out; an L.A. study showed that roughly \$4 billion was paid in and \$1 billion was taken out.

Mr. CAMP. And you would agree that immigrant recipients use more than those welfare benefits in terms of government services; that is, the money that the Federal Government uses to pave our roads, build our bridges, defend our country, are those matters taken into account in those studies?

Mr. WHEELER. I am not sure whether they were or not, but I think that those costs would have to be incurred whether the immigrants are here or not.

Mr. CAMP. Social Security data shows that there has been a 5-fold increase in immigrants from 100,000 to over 600,000 who are receiving SSI over the past 10 years. Do you still maintain that that huge increase is not evidence that immigrants come to the United States to get SSI?

Mr. WHEELER. Well, if you look at that study, you will see that 10.9 percent of the SSI recipients are aliens, and if you look at the population in general, it is roughly 9 percent. So you are right, slightly more people get SSI if they are aliens than if they are not aliens, but again, the vast majority of those people are refugees, people who have no other source of income, and so for whatever reason they maybe are more entitled to benefits.

Also you have to keep in mind that a lot of people who come here in advanced ages are not eligible for Social Security, so really SSI is their only source of income; they are not entitled to Social Security retirement, because they haven't worked here long enough.

Mr. CAMP. Those are very different programs with very different purposes.

Mr. WHEELER. That is true, but they both provide basically the same thing, which is a subsistence amount of money, based on your age or your disability.

Mr. CAMP. Mr. Fix, you mentioned in your testimony about immigration and its effect on the urban poor, and I am following up here on the chairman's comments.

Would you agree with at least one study that has found that wages, particularly in urban areas, have been reduced, wages for low-wage workers have even been suppressed further as a result of immigration?

Mr. FIX. As I said to the chairman, this is a very contested intellectual terrain. We have studies at the Urban Institute that are based on recent data, which suggest that in cities in which immigrants are concentrated, that unemployment and wages among low-skilled, black workers are no lower than they are in cities in which immigrants are not concentrated. So it is very hard to come to the conclusion you suggest on the strength of this data.

Mr. CAMP. OK. Thank you, Mr. Chairman.

Chairman FORD. Thank you.

Mr. Kopetski?

Mr. KOPETSKI. Thank you, Mr. Chairman. I find so much of this fascinating.

Ms. Parker, have you ever been up to Ellis Island? I was talking about the museum up there where I saw—have you been able to go up to New York City?

Ms. PARKER. I have only been to New York once, sir, and I saw it from the top of a building but I have not had the opportunity to be there.

Mr. KOPETSKI. Well, everything is close on the East Coast, and I really would encourage you to go up to that museum. I think somebody, you know, in your position could gain a lot from seeing the history of immigrants in this country, and I am pretty sure it was immigrants who wrote our Constitution, as well.

And I also know from reading my history books that local government and local communities historically, until very recently in our history, were responsible for caring for immigrants, and it is only this recent phenomena in the last 20 years or so that the Federal Government has assumed a role and a responsibility in this area as well. So I guess I disagree that this is only a Federal issue when historically local government has provided a lot of help there.

It seems that a lot of your testimony is centered around better border control. I was on the Immigration Subcommittee, as I had mentioned earlier, and I asked the head of the border patrol, I said, you know, would it make any difference if we tripled the number of border patrol agents along the United States-Mexican border and he said no.

So we have—and then he got nicked in the ribs by his boss and had to say, well, it might have a little impact. But that was his immediate response, because we have a big, long border. And I have been down to California and Texas and seen just how vast it is, and I don't think putting border guards there, as I think Ms. Meissner earlier talked about improving the economic conditions in Mexico, probably is the best and most efficient way, effective way of stopping the hemorrhage that we have of illegal immigrants from at least Mexico.

It is also troubling to me that people come here and ask for more government, more Federal Government, more border patrol—I mean that is government. They are in uniform, they are along the border, and it costs the taxpayers money—when there is this huge outcry here in America that says no, we want less government, we want less taxes. So we wrestle with this issue back in Washington, just as I am sure folks in the State Assembly in California must wrestle with State mandates and local government says don't do that to us.

I was wondering what your response would be if you could write law, if—what you are suggesting is that if a pregnant woman who is determined to be of let's say Mexican citizenship shows up at a health care clinic—obviously very pregnant—shows up at a health care clinic in San Diego, California, third trimester, if we should turn that person away and send her back to Mexico without providing any health care service.

Ms. PARKER. I think the position in California of our Governor is that we certainly wouldn't see that happening. We would basically see doctors step up under their Hippocratic oath and care for the woman and care for people who would find themselves in an emergency situation. I think the difference is whether or not we es-

sentially advertise that we have these services available which make people cross illegally across the border to obtain those services. I think that is what we are trying to speak to, that difference.

Mr. KOPETSKI. Where are we doing this? I mean do we run TV commercials in Tijuana or something? I am not understanding this advertising.

Ms. PARKER. I think that if you talk—people that are in those communities are knowledgeable about what services are available to them, in what States, and—

Mr. KOPETSKI. So we want people to stop talking to each other?

Ms. PARKER. No. I am just saying that that information is available to people, and to the extent that we advertise those services along with other services—

Mr. KOPETSKI. You say we advertise those services. Who is the "we"? Who is the "we"? We, the government?

Ms. PARKER. Yes.

Mr. KOPETSKI. We advertise—

Ms. PARKER. We essentially make them available along with other services that communities know that they have that are available to them. There are a number of community action organizations of which people who either are interested in immigrating or illegal have access to, and the information is available for people who are interested in finding out.

Mr. KOPETSKI. So that the local Catholic church puts out a little bulletin that says, if you need prenatal care coverage and directing this to the illegal Hispanic California, let's say we are in California population, they should not be allowed to put out these fliers advertising prenatal care services? Is that the "we" that you are talking about?

Mr. CAMP. If the gentleman from Oregon would yield, I—

Mr. KOPETSKI. I am just trying to get a question answered here.

Mr. CAMP. I just also want to ask you if you have heard of the Chinese language booklet, for example, that is entitled "What you need to know about life in America" that contains a 36-page chapter on how to apply for SSI and other forms of public assistance. Have you heard of that book?

Mr. KOPETSKI. I have not, and they are disseminating that in the People's Republic of China?

Mr. CAMP. And here. It is in Chinese.

Mr. KOPETSKI. And Chinese citizens are reading this and taking advantage of the prenatal care services.

Mr. CAMP. I am just asking if you are aware. There are publications out there.

Mr. KOPETSKI. I am just trying to find out is—what Ms. Parker is talking about is doing this advertising. She says we, it is pronoun. She wants this advertising stopped. I am trying to figure out who we stop? Who do we stop?

Ms. PARKER. I am not suggesting that the government is advertising. I think, as Mr. Camp is saying, that the information is available by interest groups so that it is generally knowledgeable to people who—families, a number of ways that the information is communicated. My point is that to the extent that medical services and other services are available that essentially communicate the

benefits of crossing the border by women who have children, that that provides an incentive for people to come here.

Mr. KOPETSKI. So you don't want to stop the—I am sorry, I really don't understand your testimony. You don't have any problem with these people talking to each other. That is the advertising you want; is that right?

Ms. PARKER. I think you are misunderstanding what I am saying.

Mr. KOPETSKI. Yes.

Ms. PARKER. I am saying that there are a number of things to look at with respect to immigration policy and the benefits that are provided are one. We also, as you pointed out, you are saying that we don't need to do something about borders. If you look at the number of border patrol people that are there, it is less than there were 5, 7 years ago.

There are things that could be done with respect to having better sanctions of the laws that we currently have on the books by essentially having tamper-proof I.D. cards to essentially discourage people from coming here illegally who can't work. So there are a lot of things that can be done.

Mr. KOPETSKI. Yes, there are. You would like a national I.D. system?

Ms. PARKER. Yes.

Mr. KOPETSKI. OK. That is good to hear on the record.

Now, I want to go back to the services, though. I don't think we can stop the advertising, from people to people. I don't think government advertising, but I think people-to-people communication of services. But you say we have to—are you saying we have to cut off the services to these people?

Ms. PARKER. I am essentially saying that if people come here because of the services, if they are not available to them, it may be a disincentive for them to come.

Mr. KOPETSKI. So you want the services cut off.

Ms. PARKER. Or that they be reimbursed by the Federal Government who mandates them on States to provide them.

Mr. KOPETSKI. So if the Federal Government—we are getting some place. If the Federal Government won't pay for it, then you send them back or you turn them away from the door, right?

Ms. PARKER. Well, absent that, that what would happen, which has previously happened, is that doctors and hospitals will provide coverage for them as charity care. That is what has happened in the past, and in that sense, they will be covered. I don't expect any hospital or doctor to turn someone away who presents themselves to the door, nor are we asking them to. But as a matter, since the Federal Government has mandated that these services be provided, we essentially are saying in California that we think the Federal Government should help assist States and providers to pay for them.

Mr. KOPETSKI. And if the Federal Government refuses to pay, the State won't; is that what you are saying?

Ms. PARKER. Well, currently we are required to under Federal law to do so.

Mr. KOPETSKI. I know. But if we change the Federal law. I mean that is why you are here, right?

Ms. PARKER. We are here to ask for changes of a number of different ways to essentially deal with the immigration issue.

Mr. KOPETSKI. Oh, OK. Let me ask you about in your testimony you talked about alternatives that truly nationalize the result and resettlement patterns of Federal immigration policies so it is commensurate with the population's ability to absorb immigrants. You said "resettlement." Are you talking about initially or are you talking about taking people from California and putting them in Nebraska?

Ms. PARKER. I am talking about primarily second wave migration of refugees.

Mr. KOPETSKI. Meaning once they go to New York, then it is that second wave where they go to California?

Ms. PARKER. Primarily the majority of our refugees that are currently in California have come about through second wave migration.

Mr. KOPETSKI. Because they love California? Because the Hmong are located in Fresno, or because of the benefits?

Ms. PARKER. I think it is probably a number of those reasons.

Mr. KOPETSKI. It is not just one, it is not just the benefits; right?

Ms. PARKER. Correct.

Mr. KOPETSKI. Thank you.

Mr. Chairman, if I could ask Mr. Simcox some questions. Is that all right?

Mr. Simcox, in your testimony you talked about piloting public assistance figures of the entire immigration population; that if the analysis is limited to those immigrants arriving since 1980, a more troubling picture emerges: 27.7 percent are in poverty. While 9.1 percent of post-1980 immigrant households receive public assistance, the average public assistance those households receive is \$6,000 annually.

Now, overall, what this says is that 27 percent of immigrants live in poverty, and 9 percent of those are using public assistance; is that boiling your testimony down?

Mr. SIMCOX. Yes, yes.

Mr. KOPETSKI. It is one-third.

Mr. SIMCOX. That is correct.

Mr. KOPETSKI. One-third. Nationwide, 14 percent of America is living in poverty and 7 percent are utilizing public assistance. That is .5 percent; isn't that correct?

Mr. SIMCOX. 7.5 percent.

Mr. KOPETSKI. I like to round things. So what those numbers suggest to me is that immigrants—only one-third of the immigrants are taking advantage of public assistance, whereas one-half of the Nation at large are. So the probability of who is going to use public assistance is less for an immigrant than it is for the average population; isn't that right?

Mr. SIMCOX. No, sir.

Mr. KOPETSKI. No, it is not right.

Mr. SIMCOX. No.

Mr. KOPETSKI. Gosh-dang these statistics. Now will you explain to me why I am off?

Mr. SIMCOX. What I attempted to convey, and I am sorry, I possibly could have been clearer, was of the total population of house-

holds in the United States, roughly 92 million, that the percentage of the households that are foreign-born, 9.5 percent or thereabouts, I forget my exact figure, are receiving public assistance, as that is defined by the Census, the three programs we talked about earlier, AFDC, SSI, and general assistance; whereas for all of the households in the United States that are native born, or in this case I think I said all households, whether foreign and native, the public assistance use rate was 7.5 percent.

Mr. KOPETSKI. Right.

Mr. SIMCOX. Comparing households to households to see if there is an overrepresentation in public assistance use in the foreign-born population. I find that there was, there is.

Mr. KOPETSKI. But compared to the overall population, they actually use it less than everybody else?

Mr. SIMCOX. In terms of absolute numbers, of course. The foreign born population is—

Mr. KOPETSKI. No, in terms of percentages, in terms of probability of who is going to access the public sector. In terms of poor people we are talking about, it is less likely that an immigrant is going to use it than somebody who has been here a lot longer?

Mr. SIMCOX. Oh, necessarily the probabilities would be much lower because the population is much—

Mr. KOPETSKI. No, no, no. Just look at percentages. One-third versus one-half. Isn't a third less than a half? That is a yes or no question.

Mr. SIMCOX. I am a little bit lost as to where the third and a half come from as it is applied in this case.

Mr. KOPETSKI. Well, OK. I am running out of time. The chairman has been very indulgent.

There is one other thing. Now, you heard Ms. Parker talk about a variety of reasons why people will settle in one State or another. But you seem to focus only on benefits, generous public assistance services.

Mr. SIMCOX. I believe nowhere in my testimony did I explicitly say that immigrants came here to receive welfare. I don't believe I addressed that. I do believe that they come here for many reasons. Some of them noble reasons, some less than noble, and that the opportunity for a good way of life, a satisfying way of life includes public services and indeed emergency help when you are in trouble.

This becomes part of the calculus. Now, hearing that there are no studies showing this that proves this on the international scale, but I think we see it in our own welfare usage in the United States, where States that have significantly higher welfare benefits do get a flow of the dependent population that take advantage of the higher benefits.

Mr. KOPETSKI. Do you think that has anything to do with the fact that they are ports of entry? I mean Ellis Island, I keep coming back to that, it was real close to Europe. If Ellis Island would have been next to Nebraska, I don't think people would have gone to Ellis Island. But people go to New York, they go to Illinois, they go to California, they go to Seattle, those are ports of entry into the United States. I mean isn't there a relationship of why people come into this country to the ports of entry?

Mr. SIMCOX. And that, therefore, those States would have—is your point, that those States would then have higher foreign-born populations and greater foreign-born assistance, because there are simply more of them passing through or settling there?

Mr. KOPETSKI. At least they come there initially, and maybe they stay and maybe they build communities, and just like the Italians or the Germans or the Polish folks did in this country 90 years ago. I mean is there any difference today than what went on 90 years ago?

Mr. SIMCOX. Yes, I think there are significant differences in the fact that we have a Social Security and a welfare net, safety net that—

Mr. KOPETSKI. Well, if you go back up to Ellis Island. I am sorry, but you know what they did? Instead of Social Security or welfare, they said, the streets are paved with gold. Or you can get a job being paid in gold and make all kinds of money, please come to the United States. And these people did. They left their home. They left their relatives. They left their family. One came at a time. Then they brought another one.

I mean, you are not American Indian, I am willing to bet, and I will bet you your own family has a history, just that. And why all of a sudden are we picking on immigrants all over again in this country? Why?

Mr. SIMCOX. Well, Mr. Kopetski, I don't think characterizing it as picking on immigrants does justice to a very serious public administration question that this committee feels is worth having a hearing about. The simple fact is that immigration is a discretionary thing.

It is not as if it is our own population with whom we have a social contract and certain degrees of obligation. They have raised to me a very fundamental question.

If immigration is a discretionary thing as to how many we admit and who they are and what are the human capital characteristics, should we take into account their dependency and their cost to the taxpayers in making these decisions? I think it is an eminently worthwhile public administration question that needs to be addressed.

Mr. KOPETSKI. Well, I agree.

I am finished, Mr. Chairman. Because I think that, yes, we ought to let immigrants keep coming into this country. This is the greatest country in the world. We have the greatest Constitution in the world and immigrants are engines for this country, engines of freedom and hard work and all that makes this country well and good, and maybe we won't have enough money to spread around to all of them. But by God, it would be an awful, horrible day in our history if we somehow cut it off.

Mr. SIMCOX. I would only comment that the first public charge law enacted was in 1819 by the State of New York subsequently upheld in the Supreme Court; the concept that immigrants come and pay their own way is not a new concept. We fought enormous battles over it. We were fighting battles over it at the time of Ellis Island. People were excluded from the United States at Ellis Island because they were considered likely to become public charges.

Mr. KOPETSKI. I will point to your own statistics to show that immigrants utilize the public welfare system less than the rest of the population. That is your own statistic.

Mr. SIMCOX. I can't agree with that.

Mr. KOPETSKI. Thank you, Mr. Chairman.

Chairman FORD. Mr. Simcox, you suggested revising the so-called "deeming provision" in the welfare program. Would you increase the 3-year deeming provision?

Mr. SIMCOX. Yes, I would increase it to 5 years.

Chairman FORD. You would increase it to 5 years?

Mr. SIMCOX. I think it is not too much to ask someone who is going to make his life here to depend on his own resources or his family for those first 5 years.

Chairman FORD. How would you enforce the spouse's pledge to support the immigrant during the sponsorship of 3 or 5 years?

Mr. SIMCOX. Well, I think there are several things we could do. We could legislate that it be enforceable as a contract in court. We could legislate arrangements of bonding in borderline cases, or we could experiment with advanced payments of medical insurance that has been explored in the refugee resettlement, or in those cases where resettlement was accomplished by private institutions rather than by the government. There are a number of things we could consider here.

Chairman FORD. And you would suggest that we revise that provision and increase it from 3 to 5 years?

Mr. SIMCOX. Yes. Because now it is nothing more than a statement of good intentions. I once worked in the consular service. The enforcement of the public assistance aspects of the law when you are interviewing immigrants overseas is very cursory, because the feeling there that the customary wisdom of court decisions, the policies of the States are very generous when it comes to defining "likely to become a public charge." So I don't think it is something that is really acting as a screen without a liability developing for the United States.

Chairman FORD. Mr. Fix, would you like to respond to that question?

Mr. FIX. I think Commissioner Meissner's testimony suggested, and Charles Wheeler's, as well, that the power of the public charge provision may be understated. I don't think we know for sure. That power does not owe to the fact that people are afraid of being deported. It comes into play when they want to reunite with their families, and that is when the INS can bring it to bear on a decision that is central to their lives.

Mr. CAMP. I am sorry, I couldn't hear that last—could you speak into the microphone?

Mr. FIX. Yes. I was saying that if you were to take the path of extending deeming provisions, I would submit that there should be liberal waiver provisions in case of changed circumstances or sponsors. For instance, if you have an elderly person here in the United States whose sponsors lose their jobs. There is a lot of potential for tragedy in such a development.

Chairman FORD. Well, that is true now under the provision. If a sponsor lost his or her job, and they would be ineligible financially, deeming would apply.

Mr. Wheeler, do you want to respond?

Mr. WHEELER. I basically would agree with Mr. Fix. The 3-year deeming right now acts as a virtual bar, regardless of whether the sponsor is providing any income to the alien, whether the sponsor has become disabled, or not participating, not cooperating in the application process, and that there are virtually no waivers allowed. So for a 3-year period, that alien is going to be cut off from any kind of benefits under SSI, AFDC or food stamps. I would certainly be opposed to extending that for 5 years given the current status.

Chairman FORD. Could I get your remarks on the deeming provision, Mr. Bean?

Mr. BEAN. I think we might overestimate its effects. It might have some effect on SSI, but as Ms. Parker from California has indicated, one of the fastest growing segments of the welfare caseload situation is AFDC, and it derives largely from citizen children, at least in California, of undocumented aliens, if I am not mistaken. And I don't believe the deeming provision would affect that. So it might make some difference for SSI and for some other programs, but I don't think it would have much effect on AFDC.

Chairman FORD. Ms. Parker, maybe you ought to comment on it as it relates to the elderly immigrants, as well as the impact of that with Supplemental Security Income along with AFDC payments. Would you like to respond to the deeming provision?

Ms. PARKER. Yes, Mr. Ford. Just one comment about that. I think it is something that we are interested in looking at.

In fact, one of our counties that provides general assistance is actually looking at trying to do a better job of going after responsible relatives to ensure that they meet their obligations for their sponsored—for the sponsored individual. So it is something that we are looking at now to try to see if, frankly, we can't do some better enforcements with what is currently available under deeming.

But I would make one extra point if I could, and I forgot to add this in my testimony earlier, but I sense it is under the purview of this committee. The issue of citizen children, particularly since this committee may be looking at things such as welfare reform, I—

Chairman FORD. Ms. Parker, I really want to stay on this subject matter.

Ms. PARKER. OK. I was only going to mention from the standpoint of jobs being an important issue, and since illegal alien parents are not eligible for employment and jobs, that that was an issue I thought might be of some interest to this committee, as far as overall immigration policy.

Chairman FORD. Ms. Vialet, would you comment on the deeming provision, if you don't mind?

Ms. VIALET. I think it would be important, and I am not a lawyer, maybe Mr. Fix or Mr. Wheeler could address this—if something could be done to make the affidavit of support binding. It is not now generally binding. I think that is—if you are talking about increasing it from 3 to 5 years, you will have the same problem, only for a longer period of time, that of having a nonbinding contract. I think that is a very important aspect of this.

Chairman FORD. All right. Let me thank the panelists for your testimony.

I am sorry. Mr. Camp, do you have any other questions or comments?

Mr. CAMP. No. I am fine.

Chairman FORD. OK, thank you very much for your testimony. The subcommittee will call its last panel. Peter Brimelow, senior editor of *Forbes* magazine of New York. Would you come to the table, please, along with Donald Huddle from Rice University, Department of Economics; Dolores Huerta of the United Farm Workers of America, AFL-CIO; Mark Lefcowitz from Alexandria, Va.; and Marta Sotomayor, Ph.D., president of the National Hispanic Council on Aging; and also Dan Stein, executive director of the Federation for American Immigration Reform.

The Chair will recognize the panelists in the order called from the roster. At this time Mr. Peter Brimelow.

STATEMENT OF PETER BRIMELOW, SENIOR EDITOR, FORBES MAGAZINE, NEW YORK, N.Y.

Mr. BRIMELOW. Thank you, Mr. Chairman.

I am Peter Brimelow, senior editor of *Forbes* magazine, but I should emphasize that my views are emphatically not those of my employer who doesn't agree with a word of them.

As you can tell from my unreconstructed accent, which in 23 years hasn't altered, I am myself an immigrant. One of the costs that immigrants do impose undisputedly on Americans is foreign accents. If you can't understand, I hope you will indicate.

That really leads to my first point here which is that I know you are very concerned generally as a group about being seen to be immigrant bashing. But in my observation, immigrants themselves are among the most cheerful bashers. They are the ones who are most aware of the abuse in the system, and the concerns really about the grander issues that it involves.

The second point I wanted to make, Mr. Chairman, relates—it is a general point relating to the flow of immigration into the United States as it has occurred over nearly two centuries now. If you look at the pattern of immigration, if you chart the pattern of immigration prior to 1920, you will see that it fluctuated very dramatically. It rose and fell from about 16 per thousand to down to below 4 per thousand every 10 or 15 years. And these pauses in immigration coincided really with the end of the periodic agitation about immigration, which we were hearing about earlier.

Since 1965, that pattern has totally altered. What we see is a steady increase year after year of immigration. Apparently it has become quite uncoupled from the American labor market. It doesn't look like sort of kind of a saw-toothed mountain range, which was the case before the 1920s; it now looks like kind of a ramp. There has to be some reason for this.

There is another curious paradox about the way immigration is behaving also which relates directly to what we were hearing earlier about Ellis Island. At the time of the wave of immigration in the early 20th Century, a very high proportion of those immigrants went back. In other words, there was a big difference between the

gross and the net, gross immigration and net immigration. I go into this in my paper a bit.

In the last few years, it appears that this has ceased, that there is now enormous retention, a very high retention rate. Most immigrants who come here do tend to stay here. So that is a big difference in the historical pattern of immigration into America.

If we look for reasons for it, I think we certainly have to look at the family unification policy. Immigrants prior to 1920 weren't coming here to reunite with families, that is, not allowed into the united families, they came primarily for economic opportunities. They needed economic opportunities to support themselves.

That is the second big difference, is the presence in America after the 1960s in the welfare state. I have to think that that must be a factor in the retention rates of the immigrants in this country, the fact that those who fare economically can fall into the American safety net.

There are various statistics and things which I cite in my testimony, but we will be hearing a lot more of that in a few minutes, so I will refrain from going into it.

Finally, I wanted to make the point that of course cash welfare benefits, or even noncash welfare benefits, only a relatively small portion of the transfer payments from the American taxpayers to the immigrants. One classic example is education.

It is a substantial subsidy to all immigrants, even of course now since the Supreme Court ruling on the children of illegal immigrants. Another issue which has always fascinated me personally is that if you are an immigrant and fall into one of the protected classes, you are also eligible for the various affirmative actions programs which exist in the United States Even though these were clearly set up to address injustices to American citizens, not to be for people who happen to be living in foreign countries at the time the injustices were occurring. That is another transfer payment which ultimately has to be looked into.

In conclusion, Mr. Chairman, I would just like to congratulate you on seizing not one, but two of the thorniest issues of the time, namely welfare and immigration. I am afraid ultimately both are going to have to be cut back.

Thank you.

[The prepared statement follows:]

STATEMENT OF PETER BRIMELOW
SENIOR EDITOR, FORBES MAGAZINE
TO THE COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HUMAN RESOURCES
U.S. HOUSE OF REPRESENTATIVES
NOVEMBER 15, 1993

Mr. Chairman, Members of the Committee, Ladies and Gentlemen:

Thank you for the opportunity to appear here today. My name is Peter Brimelow and I am a Senior Editor of Forbes Magazine. Last year, I was the author of a cover story on Immigration in National Review Magazine, which I am currently expanding into a book. However, I should emphasize that I am appearing here in my personal professional capacity. My views are definitely not those of my employer.

As you can tell from my unreconstructed accent, which has survived some 23 years in North America, I am myself an immigrant. In fact, I am doubly an immigrant, having spent some years in Canada after graduating from Stanford Graduate School of Business in 1972. The experience has given me a prolonged worm's-eye-view, so to speak, of the immigration procedures of two of the three major immigrant-receiving countries.

And this leads me, Mr. Chairman, to the first point I would like to make in my short time today. Generally speaking, it is the immigrants who are the most aware of the anomalies that inevitably creep into a great and complex public policy mechanism like U.S. immigration policy. And it is the immigrants who are most aware of other immigrants' exploitation of the system.

I know there is a deep concern among Americans that any discussion of the impact of immigration on their country might be construed as "immigrant-bashing." I think this concern is oversensitive. My observation is that it is the immigrants themselves who are the most cheerful bashers. It may be that they have the sharpest appreciation of the grand issues at stake.

My second point arises from my research into the history of immigration into the U.S. It is this: something quite profound has altered in the years since the 1965 Immigration Reform became effective in 1968.

Previously, it is important to note, immigration to the U.S. was very far from being a constant flow. It fluctuated very sharply. In the decades after the American Revolution, of course, there was virtually none. But even after mass immigration began in the 1840s, it rose and fell dramatically. For example, there were peaks in the 1850s, the early 1870s, the early 1880s and of course the late 1900s. There were troughs in the 1860s, the late 1870s, the late 1880s, and the late 1890s. This shows up quite clearly on a chart where immigration looks rather like a saw-toothed mountain range.

Since 1968, however, the immigration inflow has built very steadily, decade after decade. It looks much more like a ramp. . . or a springboard.

There is of course a spike after 1965, up to the record year of 1991, when 1.8 million immigrants were counted by the INS. But that spike is the one-time effect of the amnesty for illegal immigrants extended by the 1986 legislation. The underlying

growth rate of legal immigration remained on its steady upward course.

The post-1965 immigrant flow is different in another way, too. That is, the immigrant retention rate appears to be much higher now than it was in the earlier part of the century.

What the INS reports each year, of course, is the gross inflow of immigrants. But people also leave the U.S. The difference between the gross inflow and this gross outflow is, of course, net immigration. It's not too much to say that net immigration is the hidden dimension of American immigration history.

Because the U.S. is a free country, it has made no effort to restrict and little effort to count this gross outflow. But an estimate by demographers at the Urban Institute¹ is that about 3 million immigrants left the U.S., usually to return to their native lands, in both of the first two decades of this century. This means that net immigration in the famous 1900-1910 decade was about 4.9 million, which is well below the 8.2 million net immigration (including illegals) that the Urban Institute estimates for the 1980s.

In fact, the Urban Institute's estimate suggests that the 1970s, not the 1980s, were more comparable in terms of net immigration to the 1900-1910 decade, with about 6.9 million. The 1980s clearly exceed all other decades. In terms of numbers of immigrants, the U.S. has entered new demographic territory.

Why this change in the pattern of immigration inflow? Previously, fluctuations were demonstrably linked to fluctuations in economic conditions in the U.S. But now, immigration appears to have been uncoupled from American economic conditions.

How has this happened? One obvious difference between the situation today and the situation in the first decade of this century is the switch in priorities, embodied in the 1965 legislation. Public policy went from favoring immigrants with economically valuable skills to favoring immigrants related to individuals already resident in the U.S. - the so-called "Family Reunification" Principle.

But even with family reunification, we would expect to see economic conditions have at least some indirect affect.

There is further obvious difference between the early twentieth century America and late twentieth Century America: the Welfare State. Back then, immigrants who were unable to find a footing in the American economy had virtually no recourse but to return to their homes and extended families. Now it is clear that at least some immigrants who fail in the American economy are caught in the American safety net. This might encourage them to come, and it encourages them to stay.

In short; we have a phenomenon to explain - the peculiar pattern of recent immigration. We have a hypothesis that partially explains it - immigrant welfare participation. And there appear now to be facts that validate that hypothesis.

As you have heard today, there is evidence that the post-1965 immigrants are indeed integrating into the welfare system. I might also cite the work of Professor George J. Borjas of the University of California at San Diego, who I understand could

¹Jeffrey S. Passel, Barry Edmoinston, Immigration and Race: Recent Trends in Immigration to the United States, Urban Institute, 1992.

not be here today. He has established that by 1990, in contrast to the situation as late as 1970, immigrants families were significantly more likely to receive cash benefits (AFDC or SSI) than native families (10.5% vs. 7.2%). In 1990, immigrants made up 10% of the U.S. population. They received about 17% of cash benefit program expenditures.

Now let me finish with a third point. Most of the debate on immigrant welfare participation turns on specific cash programs like AFDC or SSI, or on non-cash programs like Food Stamps and Medicaid.

Yet these programs are only part of the Welfare State transfer programs that have grown up since the last great wave of immigration in the 1900s.

For example, education. In the 1900s only a very small proportion of the population finished high school and a minute fraction went on to college. Now most students graduate from high school and just less than half spend at least some time in college.

The cost of an American high school education is several thousand dollars a year. This is a subsidy that is automatically granted to the child of any immigrants - even, after court decisions, the child of illegal immigrants.

Of course there is arguably an over-riding policy interest in ensuring universal education. The fact remains, however, that education is a transfer of wealth from Americans to immigrants.

Even apart from any consideration of the costs imposed by immigrants on schools - New York City public Schools, for example, now offer courses in more than 100 languages.

A further type of welfare program that did not exist in the 1900s is Affirmative Action. The rationale for Affirmative Action is that it is remedial, designed to redress past wrongs suffered by various "protected classes" of Americans. From an economic standpoint, Affirmative Action is a transfer of wealth through government action from the community to the "protected class."

Amazingly, however, immigrants who have just arrived in the country and therefore could not have suffered the past wrongs in question are still eligible for Affirmative Action if they happen to fall into one of the "protected classes." And many do.

One example must suffice: Professor George La Noue of the University of Maryland has found that over one-half of the Small Business Administration's contract set-asides go to the groups that are comprised largely of first- or second-generation immigrants. Quite obviously, these set-asides are not redressing any past wrongs suffered by historic American populations for whom they were supposedly designed.

Now perhaps you might allow me to summarize. I believe that the Subcommittee's inquiry into the impact of immigration on welfare programs is entirely legitimate and would be supported by many immigrants themselves. I suggest that the behavior of the immigrant flow into the U.S suggests that something profound has changed since the days of open borders, and that immigrant welfare participation, of which there is accumulating evidence, may be the cause. And I note that other aspects of the American Welfare State may also be involved with this immigration phenomenon, perhaps on a far greater scale.

In conclusion, perhaps I might congratulate the Subcommittee in addressing this specific aspect of a great society issue - in my opinion the most important facing America today.

Thank you for your attention

Chairman FORD. Mr. Huddle.

STATEMENT OF DONALD HUDDLE, PH.D., PROFESSOR EMERITUS, DEPARTMENT OF ECONOMICS, RICE UNIVERSITY, HOUSTON, TEX., ON BEHALF OF CARRYING CAPACITY NETWORK; AND POPULATION BALANCE

Mr. HUDDLE. Chairman Ford, members of the committee, my study was done under the auspices of the Carrying Capacity Network, which is a nonpartisan, nonprofit educational organization concerned with issues of population and the environment. What my study found is that immigration to the United States has pronounced economic and fiscal effects, both nationally, statewide and local, and at the county level.

The study examined comprehensively 22 categories of cost, of public assistance and associated costs of legal immigrants and a lesser number of cost categories for illegal immigrants because they are barred from some programs. Then in both cases there were 10 categories of county costs added to these.

It also examines not only the 1992 cost of three categories of immigrants: Legal, amnestied, legalized aliens and illegal immigrants, but also prospectively post-1970 immigrants over the next decade; that is, from 1992 onward to the year 2002 in present value dollars. This is compared to the cost of those who are both the native born and pre-1970 legal immigrants.

The key findings of the study. First of all, we looked at poverty and public assistance use. This has already been mentioned. I will just briefly summarize the findings of the study.

The poverty rate of immigrants was 42.8 percent higher than that of the native born and pre-1970 immigrants. Immigrant households were 13.5 percent more likely to receive public assistance than the native-born—I will just automatically include the pre-1970 immigrants in that statement to shorten it from here on out. And then the immigrant probability of public assistance adjusted by the amount of assistance they receive, 44.2 percent higher than those of the native-born households.

The 1992 results in terms of net costs, taking taxes paid by immigrants into account looking at both public assistance and labor displacement costs. The study found that 19.3 million immigrants, of the three categories mentioned, settling here since 1970 generated a total net public assistance cost in 1992 of \$42.5 billion, in excess of the \$20.2 billion that all immigrants paid together in taxes. Included in the \$42.5 billion is \$11.9 billion for the cost of assistance to the U.S.-born and pre-1970 immigrants who are unemployed due to immigration, which is the displacement effect.

The total immigrant-related net cost of \$42.5 billion for 1992 was distributed as follows: we had 11.97 million post-1970 legal immigrants, refugees, and asylees together; \$25.6 billion in public assistance and displacement costs in 1992 over and above their tax payments of \$15.7 billion. The 2.52 million former illegal aliens amnestied since 1986 estimated to cost \$5 billion in public assistance net of the \$2 billion they paid in taxes.

It is estimated that 4.8 million illegal aliens residing here in 1992 had public assistance and displacement costs of \$11.9 billion net of the taxes they have paid of \$2.5 billion.

It is worth mentioning that 72 percent of the net costs are due to legalized immigrants and legal immigrants, whereas only 28 percent of these costs can be attributed to illegal immigrants. Immigrants in all three levels, State, local, and Federal, were in deficit whereas there was a revenue surplus of \$120 per capita for the U.S.-born and pre-1970 immigrants.

The largest immigrant assistance costs in 1992 were public and secondary education, \$13.2 billion; Medicaid, \$8.5 billion; local health and welfare services, \$7.8 billion; bilingual education, \$2.9 billion; and AFDC, including citizen children, \$2.8 billion.

Between 1993 and 2002, the total number of immigrants is estimated to rise to 30.4 million. Conservative rates of cost increases over that next 10-year period are estimated to create total assistance and displacement costs of \$951 billion, which, after taking account of taxes of \$283 billion, will lead to total net costs to the U.S. taxpayer of \$668 billion in present value 1993 dollars, an average of \$67 billion annually. Legal immigrants will account for three-quarters of that \$67 billion a year cost.

The 11.1 million new legal and illegal immigrants, projected to enter by 2002, will create public assistance and displacement costs of \$291 billion while contributing taxes of \$71 billion. On average, U.S. taxpayers would save \$22 billion per year over the decade if immigration were halted after 1992. That is a tradeoff; not necessarily a policy recommendation.

Prospective costs of illegal immigrants only over the decade, \$221 billion in public assistance and displacement and paying \$35 billion in 1993 present value taxes.

Restricting immigration to only those who are skilled and professionally in demand in the labor market, about 38 percent of the current flow, and stopping illegal immigration completely by 1993, would avoid \$221 billion in costs by 2002, and produce a revenue surplus of \$13.7 billion in public assistance accounts.

Total costs of \$358 billion could be avoided, which would constitute 72 percent of the Clinton administration's 5-year deficit reduction plan. On the other hand, if it were invested in public job creation, it would create and maintain 1.4 million public works and service jobs. Or if an investment tax credit were used, an estimated 4.1 million jobs nationally could be created and maintained over the next decade.

The outlook currently is for even much higher costs than are projected here over the next decade due to expansion of public assistance benefits, a phenomenon already occurring rapidly in California since the national study was done. Universal medical care and the earned income tax credit expansion, estimated to rise to \$20 billion by the turn of the century, could add tens of additional billions of dollars to the projected net present value costs in my study.

We might later wish to discuss the rapid increase in costs in California just since this national study was completed and how this would increase the cost estimates of the national study presented here.

Thank you, Mr. Chairman.
[The prepared statement follows:]

**TESTIMONY OF DONALD HUDDLE, PH.D.
CARRYING CAPACITY NETWORK; AND POPULATION BALANCE**

HIGHLIGHTS OF THE REPORT

In this first comprehensive study of the public sector costs of legal and illegal immigration, Dr. Donald Huddle of Rice University assesses: the current costs to the taxpayers of immigrants arriving since 1970; the prospective costs from 1993 to 2002; and the tax contributions of immigrants. The costs examined include 22 categories of federal, state and local assistance programs available to immigrants, including a package of ten county welfare and health services. Also assessed are the costs of five public assistance programs used by U.S. workers idled by immigration. Key findings are:

CURRENT COSTS

- o **Poverty and Public Assistance Use** - The poverty rate of immigrants is now 42.8 percent higher than that of the native born. Immigrant households are 13.5 percent more likely to receive public assistance. Immigrants' probability of receiving public assistance, adjusted by the amount of assistance they receive, is 44.2 percent higher.

- o **1992 Public Assistance and Displacement Costs** - The 19.3 million immigrants settling here since 1970, legally and illegally, generated total net public assistance costs in 1992 of \$42.5 billion in excess of the \$20.2 billion they paid in taxes. Included in the \$42.5 billion is \$11.9 billion for costs of assistance to U.S. residents unemployed because of immigration. The total immigrant-related net cost of \$42.5 billion for 1992 was distributed as follows:

- Legal Immigrants - 11.97 million post-1970 legal immigrants, refugees and asylees produced \$25.6 billion in public assistance and displacement costs in 1992 above and beyond their tax payments of \$15.7 billion.

- Illegal Aliens - 4.8 million illegal aliens settled here as of 1992 carried public assistance and displacement costs of \$11.9 billion net of taxes they paid.

- Amnesty Aliens - 2.52 million formerly illegal aliens amnestied since 1986 entailed services and assistance costing \$5.0 billion net of the taxes of \$2.0 billion they paid.

- o **Immigrant Revenue Deficit** - The stock of 11.97 million legal immigrants in 1992 cost all levels of government for direct services (excluding displacement) \$19.5 billion more than they paid in taxes, a per capita revenue deficit of \$1629, compared to a per capita revenue surplus of \$120 for the U.S. born.

- o **Largest Assistance Programs** - The largest direct public outlays for immigrants in 1992 were: primary and secondary public education (\$13.2 billion); Medicaid (\$8.5 billion); local health and welfare services (\$7.8 billion); bilingual education (\$2.9 billion); and

Aid to Families with Dependent Children -- AFDC (\$2.8 billion).

FUTURE COSTS

o Costs of All Immigrants in the Next Decade - From 1993 to 2002 the total stock of post-1970 immigrants in the United States will grow to 29.4 million, barring changes in existing law and enforcement policy. In that period immigrants will create total public assistance and displacement costs of \$951.7 billion and pay taxes of \$283.2 billion. The net cost to the public will be \$668.5 billion in 1993 dollars, or an average of \$67 billion yearly. Legal immigrants will account for three-quarters of those costs.

o Costs of Immigrants Yet to Arrive - 11.1 million new legal and illegal immigrants projected to enter during the ten years beginning in 1993 will yield total public assistance and displacement costs of \$291.4 billion, while contributing taxes of \$70.7 billion. On average, the taxpayers would save \$22 billion each year over the decade if immigration were halted after 1992.

o Prospective Costs of Illegal Immigrants - In the ten-year period to 2002, current and prospective illegal immigrants will account for \$221.5 billion in public assistance and displacement costs, but will provide only one-sixth of that amount in taxes -- \$35.1 billion.

o Cost Avoidance Options -

(a) Permitting the legal immigration of only skilled and professional aliens (about 38 percent of current flow) and halting new illegal immigration entirely in 1993 would avoid \$220.7 billion in costs by 2002 and produce a revenue surplus of \$13.7 billion in public assistance accounts.

(b) Accepting skilled and professional legal immigrants only after 1992 and eliminating all current and prospective illegal immigration would avoid \$358.2 billion in costs over the decade, with a revenue surplus of \$13.7 billion.

o Policy Considerations - \$358.2 billion in costs avoided would be 72.2 percent of the administration's five-year deficit reduction plan. If invested in public job creation, or in private sector investment incentives, it would create and maintain 1.4 million public works and service jobs or 4.1 million private sector jobs over the next ten years.

o Outlook for Even Greater Cost Increases - Proposed expansion of assistance benefits, such as universal medical care and earned income tax credits, could add scores of additional billions to the bill for immigrants and displaced workers.

Chairman FORD. Thank you.
Mr. Stein.

**STATEMENT OF DAN STEIN, EXECUTIVE DIRECTOR,
FEDERATION FOR AMERICAN IMMIGRATION REFORM**

Mr. STEIN. Mr. Chairman, thank you very much for the opportunity to appear. My name is Dan Stein. I am executive director of FAIR, a national organization working to reduce immigration. I want to applaud the chairman for holding these hearings and exercising leadership on what we feel is a very important issue facing this country now and in the very near future.

Mr. Chairman, immigration is a Federal responsibility. The determination of how many come in, who and how we enforce the rules, resides here with the Congress. It is, however, often the States which have to bear the financial burdens associated with immigration. Many people in the highly impacted States, California, Illinois, Texas and New York, Florida, they are asking, how do we get to this point? What happened? Who is minding the store? Why does it seem that immigration policy is no longer serving the national interest?

We are convinced that the reasons for the current problems associated with immigration reside in the fact that Congress has fashioned an immigration policy which fails to respond to the national need. It is set without regard to changing conditions in the American labor market it is unduly nepotistic in the sense that it gives too great a priority over simple family relation; it does not adequately alter the flow in response to changing economic and national conditions; and ultimately, it has created a backlog of 3.5 million people currently waiting in the family preferences, a backlog which will grow dramatically in the next 2 to 3 years as a result of the aliens who received amnesty under the 1986 law becoming citizens and then petitioning for their married brothers and sisters and other relatives.

What does the public want? The public, as far as our polls show, wants immigration to once again help the American national need. They want answers to understand how we got here. We believe we got here as a result of several basic political miscalculations: The failure in 1965, in 1980, 1986 and again in 1990 to grasp the impacts and implications, particularly financial and numerical implications under various immigration law changes. It happened because over many, many years States obstructed the process of verifying alien eligibility by not working aggressively with the Federal Government to create efficient methods to determine who is here legally and who was not and in what immigration status people were in. The trends, however, are perfectly clear.

Immigrants today are more likely to be on welfare than native born, more likely to be poor, living in poverty, more likely to be poorly educated, more likely to live in large families, less likely than Americans to be self-employed, and more likely to be in service and other low-wage jobs. The amnesty data from the 1986 laws show that on average, 50 percent have used public health care, that 80 percent are reading at the sixth grade reading level or below.

Recent information from the Census Bureau shows that immigrants are driving, particularly illegal immigrants, are driving poor Americans, those making less than \$35,000 a year, out of the major immigrant-impacted States.

Wages and the unemployment rates: wages have been going down for less skilled and semi-skilled workers relative to national averages in these communities and the costs have been going up. The availability of these programs attest to the fact that although these programs themselves may not be in and of themselves the reason why any particular alien comes, they are clearly part of the penumbra, the basket of factors, as Mr. Simcox says, the perceived opportunities of why they come.

Immigrants come because they have information about this country, they have contacts, they have connections, relatives, and they move on the basis of very specific information. What kinds of opportunities will be there when they get here, who they may know in the community, potential jobs, often networks are established which are quite sophisticated which determine whether people come, and those patterns reinforce themselves.

Ultimately, however, the public would like a change. They seem to want less immigration. They want immigration to be legal. If immigrants who are here need entitlements, then that tells you that we may be making mistakes in how we are going about selecting immigrants, but if they need it, you don't cut them off and leave them there stranded.

Rather, the solution is to decrease the flow. We believe the solutions that can handle both the problem of welfare abuse and fraud and the problem of too high a level of immigration, as well as solutions to stem the flow of illegal immigration, can be found in H.R. 3320 which dramatically slashes the level of immigration down to 350,000 a year, makes the sponsorship pledges enforceable in a court of law, improves document fraud by developing a national birth and death registry for birth certificates, and would go a long way toward helping the States and service providers verify who is here legally and what their status is, increases border patrol officers and develops a border crossing user fee, provides documents, secure documents for employer sanctions, provides some Federal immigration impact assistance, and it ties that to the State cooperating more aggressively with the Federal Government to ensure that aliens who are applying are entitled.

There is much more to the Immigration Stabilization Act of 1993, but we think that is certainly a good place to start.

Thank you.

[The prepared statement follows:]

**TESTIMONY OF DAN STEIN
FEDERATION FOR AMERICAN IMMIGRATION REFORM**

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear on behalf of the Federation for American Immigration Reform. My name is Dan Stein and I am the executive director of FAIR. FAIR is a national non-profit, public interest organization working to eliminate illegal immigration and to reduce legal immigration to levels consistent with the national interest of the 1990s. FAIR has recently called for a moratorium on most legal immigration.

My testimony today is about the levels of legal and illegal immigration and their impact on the United States' social service and welfare systems.

World Population Growth

Rapid world population growth is placing extreme immigration pressures on the United States. This growth is accompanied by the development of modern communications and transportation technology in the world's less developed regions.

This situation is only going to get dramatically worse. The United Nations estimates that 90 million people are now added to the world's population each year. Just two generations ago, global population was 2.5 billion. During 1993, we will reach the 5.5 billion mark and the U.N. estimates that we will exceed 10 billion in the next century before population growth levels off.

This powerful demographic force will explode in the 21st century as tens of millions of people will seek economic opportunity and escape from environmental disaster. The patterns of the unprecedented wave of human migration have just begun to emerge and will grow with intensity in the decades to come.

In many less developed nations, we have witnessed the flight from rural to urban areas over the past two generations. Tens of millions of people have been attracted from the countryside to cities for greater economic opportunities - real or imagined. For example, in 1950 Mexico City had a population of 3.5 million. The number has now swollen to 18 million. This is only the tip of the iceberg. The UN estimates that between 1987 and 2025, the urban population of the lesser developed nations will have grown by 2.75 billion people, twice the amount that was added during the period from 1950 to 1987.

The great majority of these workers will be urban-based or urban-bound. In country after country, however, urban unemployment and underemployment already run high, affecting as much as half of the labor force. Still, there are millions of new entrants each year, the products of rapid population growth from a generation earlier. Driven by rising expectations but facing plummeting prospects, great numbers have determined to take their chances and migrate, legally or illegally, to destinations in the more developed nations.

Immigration Levels

At a time of growing migration pressures around the world, we must now face the reality that resource consumption and environmental considerations should limit the number of people the U.S. can absorb. However, the Immigration Act of 1990 authorized an increase in legal immigration of 50%. In correlation, the number of immigrants using welfare and social services has continued to multiply thus having an extremely detrimental effect on federal and state ability to provide social services not only to immigrants but also to our own native-born citizens.

Currently, through immigration, the United States adds more than a million people to our population every year. Since 1990, 830,000 people a year legally enter and reside in the United States. This number includes workers, family members of citizens,

and refugees. In addition to this vast number is the serious problem of illegal immigration. Last year alone, 1.2 million illegal aliens were apprehended at the borders of our country. The Immigration and Naturalization Service (INS) estimates that for every one illegal alien the Border Patrol apprehends, another two or three cross the border. (This figure, however, is the low estimate; the INS high estimate is that for every one illegal alien apprehended, five to seven cross the border.) In 1992, there were approximately 4.8 million illegal aliens residing in the United States.

These additions do not occur in a vacuum. When we add roughly the equivalent of the state of Nevada to our population every year, we must consider how we can provide for everyone's basic human needs. How are we going to educate additional children, care for the sick, provide housing, increase infrastructure and protect the environment? All of these obligations come with high price tags.

We are obliged to guarantee all legal permanent residents with the same benefits as U.S. citizens including education, healthcare, and assistance if they cannot take care of themselves. Illegal immigrants are also eligible for certain social benefits, though of course not to the extent that legal immigrants are. However, many illegal aliens receive far more benefits than they are lawfully entitled to. Many states, such as New York, do not check the status of applicants, and require nothing more than proof of residency for eligibility for benefits. The Medicaid program in California is barred by a state court decision from asking people applying for emergency services about their immigration status.

In other areas illegal aliens are extended benefits by federal agencies. In 1990 the city of Costa Mesa, California tried to secure federally subsidized public housing for U.S. citizens and legal aliens. But Jack Kemp, Secretary of the Department of Housing and Urban Development stated that "HUD's community development programs do not require citizenship or lawful resident alien status for eligibility." According to testimony by the General Accounting Office on September 29, before the Republican Task Force on Illegal Immigration, HUD has not finalized their regulations on alien eligibility. Due to the lack of regulations, HUD has not authorized its public housing managers to ask about the immigration status of applicants or family members. Therefore illegal aliens are able to live in publicly subsidized housing - paid for by the American taxpayer.

Yes, the levels of legal and illegal immigration are a problem. However, the largest problem with the impact of immigration on the cost of public services is fraud and abuse. Document fraud is the largest hurdle we face in the fight against sky-rocketing welfare costs. If an illegal alien acquires false documents, he or she will be able to receive all forms of public assistance. It will not matter if officials are required to check a person's status if the person has forged documents.

According to an INS study done in March of 1992, 83% of the amnestied population had false Social Security cards. This 83% reported that before their amnesty, while they were still considered to be illegal aliens, they had acquired false Social Security cards. These Social Security cards enabled them to receive public assistance which they otherwise were not legally entitled to.

This type of document fraud magnifies the other problems we face. With a tamper-proof card required for assistance eligibility, the numbers of immigrants (as well as American citizens trying to trick the system) will decrease. Eliminating welfare fraud will result in saving millions of dollars.

Immigrant Welfare Dependency on the Rise

A tamper-proof card would eliminate most welfare fraud. However, it would not solve the increasing numbers of legal immigrants going on welfare each year. Under U.S. law, if an immigrant becomes a public charge within their first five years of

residency, he or she is deportable. However, this rarely occurs. In fact, according to INS statistics, since 1981 only 12 people have been deported. More importantly, immigration applicants are supposed to be excluded if the applicant is likely to become a public charge. According to INS statistics, between 1960 and 1990 only 97 aliens were excluded from the U.S. because they would need welfare. In 1992, 601,430 immigrants were reported receiving the federal Supplemental Security Income (SSI). This number increased from 127,900 in only 10 years. Clearly, this lack of enforcement has contributed to the ballooning of our welfare roles.

Since 1965, immigrant welfare dependency rates have been on the rise and are now significantly higher than native-born American citizens. A study conducted by University of California economists George Borjas and Stephen Trejo, shows that while welfare usage by native and immigrant households has increased between 1970 and 1980, immigrant household usage increased significantly faster and surpassed native usage by 2.8 percent. Also, in comparing earlier immigrant waves to more recent arrivals over time, the more recent arrivals have a significantly higher use of welfare than their predecessors at the same point in the assimilation process. This study dispels the myth that immigrant costs are insignificant and the stereotype that immigrants in general use the welfare system less than natives.

In his article in International Migration Review, Lief Jensen's research supports Borjas and Trejo's findings. He finds legal immigrants were 56% more likely to be living in poverty, and 25% more likely to receive public aid than native-born Americans.

The changing national origin mix of the immigrant flow, combined with such undue emphasis on family preference, is largely responsible for the increasing welfare dependency of more recent immigrant waves. The fact that the United States punishes its most able (by taxes) and rewards its least able (by public subsidies) creates a magnet for unskilled workers in underdeveloped countries. Whether they come for welfare or work - the fact of the matter is today's immigrants are primarily less skilled, less educated and from poorer countries than previous immigration waves. This causes them to require more public assistance sooner and for a longer period.

Borjas also finds that immigrants' participation in welfare increases the longer they reside in the United States (he refers to this as "assimilating into welfare"). Immigrants start out without welfare and assimilate into increasing dependency on the welfare system. In fact, the United States has become almost a "welfare magnet" because often times the federal state and local agency benefits offered are far higher than typical wage scales in many countries of origin.

Immigrants may not come to the U.S. to get on the welfare rolls, but when they arrive in this country and do not find a "better life" due to language barriers, scarce jobs, and low wages and they then see how easy it is to obtain welfare - it is not difficult to understand why the number of immigrants on welfare keep increasing. Often times the welfare rates exceed the wages for entry-level jobs.

Immigrant Social Services Eligibility

There are many different types of "legal immigrant" - permanent lawful residents, PRUCOL aliens, refugees, and asylees. (PRUCOL aliens are : lawful temporary residents under the amnesty program; persons fleeing persecution; aliens granted permission to remain in the U.S.; aliens who reside in the U.S. or who have applied for immigration benefits with the knowledge of the INS and whose departure the INS does not contemplate enforcing; and those aliens who have resided in the U.S. since before January 1, 1972). Permanent lawful residents are eligible for all social services granted to a citizen of the United States. PRUCOL aliens are not eligible for Food Stamps. The other legal immigrant categories are eligible for most major services including Aid to Families with Dependent Children (AFDC), SSI, and Medicaid.

Illegal aliens as a rule are ineligible for most government social services and welfare. However, there are a few programs that are available to all aliens regardless of status. They include, the Child Nutrition Program, WIC - Food and other help for Women, Infants, and Children, public education - Headstart and Kindergarten through 12th grade, and Medicaid's emergency medical services including labor and delivery.

However, many illegal aliens do receive AFDC and Food Stamps. If an illegal alien gives birth to a child in the United States, then under present interpretation of U.S. constitutional law, that child is a citizen of the United States and eligible for all rights and services guaranteed a citizen. Though it is the child, not the parent, who qualifies for the program, benefits help support the child's family. In 1991, Los Angeles County provided welfare to 117,000 U.S. born children of illegal aliens at a cost of \$318 million.

The eligibility of illegal immigrants to social services has been expanded through the courts. In fact, the Supreme Court ruled that illegal alien children may not be denied a public education in *Plyler v. Doe*. This case overturned a Texas law denying funds for school districts for the education of illegal alien children. The law authorized district schools to deny the children admission into the public schools or charge them tuition.

In order to remove illegal aliens from its welfare rolls, the state of Illinois began asking food stamp recipients about their immigration status. However, the U.S. District Court for the Northern District of Illinois ordered the Illinois Department of Aid to stop this practice after a lawsuit was filed by the Mexican-American Legal Defense and Education Fund (MALDEF).

And a third example of courts extending aid to illegal aliens is the 1986 ruling by a federal district judge in Brooklyn, New York that illegal aliens living in New York could not be denied Medicaid assistance.

Fraud and Abuse

However, illegal aliens are receiving a great deal more in benefits than they are legally eligible for. Welfare fraud and abuse is rampant. According to the INS in 1991 and 1992 the agency detected 10,837 illegal aliens who applied for food stamps resulting in a potential saving of \$14.5 million. This verification system is SAVE - Systematic Alien Verification for Entitlements.

According to Thomas F. Wilson of Resource Management Laboratories Ltd., (a company that develops personal identification systems) passports, birth certificates, Social Security cards, drivers licenses and other documents are routinely forged. It is easy for an illegal alien to obtain false documents and then apply for welfare. There is little worry of detection since usually no one checks immigration status and if an officer does, many state and municipal laws prevent that information from being turned over to INS. As I previously stated, 83% of amnesty recipients in 1986 reported they had forged Social Security cards.

Cost

Immigration greatly increases the rising costs of public services. Immigrants and their children have accounted for more than half of the population growth in the United States since 1970. The actual burden to the taxpayer is quite difficult to ascertain since many programs do not require or ask applicant's immigration status. Thus, there are no breakdowns of what types of people receive benefits.

The numbers of legal and illegal immigrants going on welfare are continually increasing as are the costs. According to a much cited report by Dr. Donald Huddle, and Professor of Economics at Rice University, the 11.8 million legal aliens present in

the U.S. in 1992 cost all levels of government more than \$45 billion beyond the taxes they paid. This public cost categories of this estimate include public assistance, education, criminal justice, aid to displaced American workers and a variety of other public programs.

By far the largest cost is public education which includes HeadStart, and Kindergarten through 12th grade. According to Dr. Huddle, outlays for educating legal immigrant children was \$8 billion for 1992. Medicaid expenditure was \$5 billion for the same year.

Dr. Huddle also estimates the costs of public programs for illegal aliens. Public education for illegal aliens costs \$5,603 per child with a total taxpayer cost of \$3,909 billion per year. AFDC equals \$819,900 million per year. He estimates that the total public sector costs to the taxpayer for illegal aliens is \$7,709 billion dollars per year.

Because of the Federal government's failure to enforce the rules and the borders, states are bearing an enormous cost burden. States and local governments pay the majority of the costs for public services for legal and illegal immigrants. These costs are quickly reaching a point of breaking already weakened state banks. There is a limit to the ability of the United States to absorb immigration - this is even more apparent three years after Congress increased our immigration levels.

State Burdens

California has the highest number of immigrants and the number is growing. One-third of all refugees admitted to the U.S. settle in California. Roughly 90 percent of all refugees start receiving public aid within the first four months of their residency. During the 1980s 1.6 million legal immigrants migrated to California. Also, in the 1980s, 1 million illegal aliens settled in the state. These two figures make up more than 10 percent of California's 1980 population of 24 million. According to Governor Pete Wilson immigration is a major contributor to the state's fiscal crisis - a \$14 billion state budget deficit.

State-funded medical services for pregnancy and emergency care for illegal aliens cost an estimated \$395 million in 1992. Approximately 67% of all births in Los Angeles county-run hospitals alone are to illegal aliens. This is an increase from 40% in 1988-89. This directly relates to one of the largest costs to the state - AFDC payments for these citizen-children of illegal aliens. According to a study completed by Richard Dixon, Chief Administrative Officer for Los Angeles County, by February 1991, in LA County there were 97,665 children. In just a few years the AFDC payments to those children rose from \$103.9 million in 1988-1989 to \$249.1 million in 1990-1991. Mr. Dixon predicts that AFDC payments could reach \$1 billion by the end of the decade even if illegal immigration levels off because ". . . the number of citizen-children can be expected to grow due to the high birthrate of the undocumented alien population who are disproportionately of child-bearing age."

Illegal alien children are 7% of the state's total school population and cost the state nearly \$2 billion a year.

Florida and Texas have similar problems. In Dade County (Greater Miami, Florida) 26 percent of the students in public schools were born outside of the United States. To keep up with the population growth, Florida needs to build a school a month to provide classroom space for its school-age children. In Texas it is estimated that it is costing schools in the border area \$26 million to educate the illegal aliens. In 1991 El Paso County hospital estimated that illegal aliens used \$3 million in services from the Tomason General Hospital alone. In 1992 a property tax was substantially increased to offset these services.

FAIR's Recommendations

Unfortunately there is not one simple solution to these problems. Instead what is needed is comprehensive reform of our immigration laws. Introduced by Senator Reif and Congressman Bilbray The Immigration Stabilization Act of 1993 contains the necessary reforms.

- Title I Reduces annual legal immigration from more than 800,000 admissions per year to approximately 350,000 per year.

- Title II Reimposes the 50,000-per-year ceiling on refugee admissions, but preserves the President's authority to exceed this ceiling in emergency situations.

- Title III Reforms asylum procedures allowing INS officers to hold preliminary hearings on site for all aliens claiming asylum. It also establishes a streamlined process under which an alien may apply for asylum and a time limit for such claims.

- Title IV Expands the list of serious felonies that require the exclusion and deportation of aliens who have committed such felonies. This title also requires such deportation procedures to begin at the time of sentencing.

- Title V Writes into law that aliens who cannot financially support themselves are excludable. It also makes sponsor agreements enforceable by law.

- Title VI Strengthens the provision of current law that prohibits the knowing employment of illegal aliens. It provides for the issuance of tamper-proof Social Security cards. Establishes a telephone verification system for employment eligibility and provides for a uniform national network of state vital statistics.

- Title VII Gradually increases the number of full-time Border Patrol officers. Imposes a schedule of fees for persons or vehicles crossing a U.S. land or sea border, and provides border security infrastructure.

- Title VIII Adds "alien smuggling" to the list of crimes subject to sanctions under the Racketeer Influenced and Corrupt Organizations (RICO) Act.

- Title IX Prohibits certain federal financial assistance to any state or state agency that does not verify the immigration status of aliens applying for federally subsidized benefits.

However, these changes will be more effective when combined with other reforms.

- **Improve State and Local Input**

One of the largest problems with immigration policy is that the people who make policy, the House and Senate lawyers on the Judiciary Committees, are not the ones who pick up the tab. Constitutionally, state and local governments may not make or enforce immigration policy, especially in any manner inconsistent with the federal regulatory scheme. Most financial costs for immigration fall on state and local taxpayers (housing, schools, hospitals, etc.), yet state and local administrators get little input into long range immigration numbers and policies. This federal-state gap is one of the most egregious problems in immigration policy today.

- **Insure Modernization of INS Data Systems**

In a democracy that respects individual rights and liberties, the problems of distinguishing between those who are or are not eligible for certain benefits is greatly aided by accurate and easily accessible information. There is always the tension between too much centralized information and no information at all. One system leads to excessive control, the other to unaccountability and chaos, neither of which is

conducive to the rule of law or the success of a democracy.

Audits often suggest that some INS information and financial systems are antiquated, unreliable or nonexistent. An automated system could be established for tracking criminal aliens, deported aliens, alien benefit applications, fine and bond breach collections, general financial management and other matters.

According to the September 1990 GAO report, **Information Management: INS Lacks Ready Access to Essential Data**, INS "maintains automated records on over 23 million aliens plus 30 million non-immigrant students and visitors" which, along with "management and programs data are kept in over 120 information systems, ranging from large, complex, centrally-developed and maintained systems to small computer applications used in field offices. In addition, there are many individually developed manual information systems." Despite this repository of data the report states that INS has virtually no accurate data available to it in any category.

For example, the INS has little ability to track nonimmigrant entry and departure data effectively. Yet with a little reorganization and use of modern technology, this could be simply accomplished at time of entry. Now, airport inspectors on the spot punch into a computer system a name and identifying characteristics of entering persons as part of the inspection process. (This is done to check for known excludable aliens and persons "Wanted by various law enforcement agencies in the INS NAILS and Customs TECS "lookout" system.) After the "look-out" system is queried, the information is dropped from the computer system and wasted.

In the case of alien admissions, the information keyed in could be used to produce a transaction record of every person inspected and at the same time produce a secure admission imprint on the I-94 form by electronically recording identity of aliens along with types and lengths of admission. The data collection and recording could all be done in one process at the time and place of inspection. This would replace today's system in which I-94 forms are collected from nonimmigrant and sent in batches to a contractor to be keypunched into a computer system at some distant location. Current delays put the entire system into a state of confusion. The United States never knows at any given time who has come, who has gone, or who has overstayed the time of admission.

- Obtain better cooperation from Mexico

The Mexican government must cooperate with us if we are to gain full control of our Southern border. At a minimum, the Mexican government must agree to:

- (1) a return of interior repatriation, perhaps funded, at least in part, by Mexico;
- (2) a pledge by Mexico to better secure its southern border against illegal immigration into that country;
- (3) a pledge by Mexico to otherwise vigorously enforce its immigration laws against persons transiting Mexico to ultimately enter the U.S.;
- (4) assistance from Mexico in the protection and maintenance of fences and other structures erected to prevent illegal immigration into the U.S.; and
- (5) full cooperation of Mexico in the prevention of criminal activities, including alien and contraband smuggling, along its border with the U.S.

Mr. Chairman, only Congress can take the actions necessary to cure our nation's immigration problems. I commend you on your leadership in exposing the exorbitant costs that uncontrolled immigration poses on our welfare system. I thank you for this opportunity to present FAIR's testimony and would like to offer FAIR's assistance in your work on this issue.

Chairman FORD. Mr. Lefcowitz.

STATEMENT OF MARK J. LEFCOWITZ, ALEXANDRIA, VA.

Mr. LEFCOWITZ. Mr. Chairman, members of the subcommittee, thank you for the opportunity. My name is Mark Lefcowitz. Although I come before the subcommittee as a private citizen, I have served as a welfare caseworker for 14 years.

Additionally, I am a freelance writer specializing in public welfare issues. At the present time, I handle a case load of approximately 1400 cases, and I estimate that 80 percent to 90 percent of my case load consists of individuals and families who have immigrated to this country within the past 10 years.

I make eligibility decisions that determine whether applicants will receive cash, food stamps, and Medicaid benefits every day. And every day, I watch the welfare system as it is plundered by individuals who have been sponsored, who are allowed to live in benefit from the social services of this country.

Many of the problems, Mr. Chairman, associated with the administration of welfare benefits for immigrant populations are the same problems associated with nonimmigrant populations.

There is a lack of sufficient staffing, a lack of a clear and practical social vision which is translated into a clear and practical social policy, overly complicated and sometimes contradictory regulations, undue judicial interference, lack of data collection which is consistent and accurate, lack of leadership and ability at the State and local level and, most importantly, what I feel is the worst of all, a welfare system that ultimately encourages economic and social dependence and dysfunctional behavior.

There is no nice way to say it. Every day I watch the welfare system taken advantage of by individuals who have been sponsored into this country. Every day my fellow workers and I are forced to approve benefits to individuals who have been sponsored into this country within the past 3 years, many of them elderly and automatically eligible for full Medicaid benefits, individuals who have never contributed to this country and who will be effectively wards of the State for the remainder of their lives.

There are a number of Federal agencies responsible for welfare policy. Each agency promulgates its own regulations. These Federal regulations are often so inconsistent with one another that they frequently contradict and negate one another.

One prime example is the issue of confidentiality. Due to strict nondisclosure laws, it is virtually legally impossible to notify authorities of deceptive practices by any applicant of welfare benefits.

Unfortunately, it is not unusual for a newly arrived sponsored alien to come to a welfare office within weeks—sometimes days—of entering this country to apply for benefits. In Virginia this problem in the past revolved around the State's General Relief Program and only recently has this problem been rectified by requiring the deeming of sponsor income and resources into the determination of eligibility.

Obviously, State-funded programs are beyond the scope of this committee and the Federal Government, but the problem illustrates the point that sponsors of permanent status aliens often lie to immigration and naturalization services. Individuals sponsored

by others who have promised to support them financially for a 3-year period routinely apply for and are found eligible for welfare benefits. To my mind and the minds of most of my fellow case workers this just plain doesn't make any sense. We are prohibited from revealing information which indicates that individuals lie to immigration authorities.

Another example is that, despite sponsored status, any individual 65 years of age or older is eligible for Medicaid provided they meet income and resource requirements. Elderly immigrants sometimes having arrived in this country within weeks are routinely found to be eligible for Medicaid. Yet at the same time my fellow case workers and I have no option but to deny Medicaid benefits to elderly individuals who have worked, paid taxes and served their country but who are marginally over the net income limit of \$325 a month.

I urge this subcommittee to further explore in much greater detail the issue and the impact of immigration on welfare programs. I ask that the committee consider recommending the adoption of much more restrictive language for welfare benefits for non-U.S. citizens and their dependents, both permanent status aliens entering the United States under sponsored status as well as refugees who I have refrained from mentioning in this testimony here today.

Specifically, I recommend the following: That the time limit for sponsorship responsibility be extended from 3 years to at least 5 years for immigrants under the age of 55. For individuals over the age of 55, where the possibility of gainful employment is extremely low, sponsorship should be a lifetime commitment.

That sponsors of immigrants attest that the individuals they sponsor into this country will not apply for welfare benefits—either Federal, State or municipally funded entitlement programs—or SSI benefits, and that each sponsor be bonded as a condition of eligibility—condition of sponsorship.

That permanent status aliens not be eligible for welfare benefits or SSI benefits until they have demonstrated self-sufficiency through the reporting of earned income to the Internal Revenue Service for a 3-year period and that sponsorship responsibility be extended until such time as self-sufficiency has been demonstrated.

That the minor dependents of sponsored aliens be considered dependents of the sponsor until such time as they become emancipated adults.

That the number of individuals that can be sponsored by anyone be finite.

That confidentiality regulations be lifted in such a way as to encourage the free flow of information between the local agencies and the regional office of the INS, particularly as it relates to possible fraud. And that INS be encouraged to collect and pursue fraud allegations vigorously.

That sponsor fraud be made a criminal offense, punishable either by fine and/or imprisonment. And that sponsored immigrant fraud also be made a criminal offense punishable by deportation.

That the local agencies who have high caseloads of immigrants be acknowledged as having special problems, including the need for translators, the need for Federal assistance in obtaining more line workers and lower federally mandated caseloads.

I also recommend the codification of all welfare regulations.

And, last—this only occurred to me, Mr. Chairman, after I had already submitted my written testimony to the subcommittee—sponsors who abandon immigrants for whom they are legally responsible should be treated and tracked down in the same manner as deadbeat dads.

Chairman FORD. Thank you very much for your testimony.

[The prepared statement follows:]

ORAL TESTIMONY BEFORE THE
SUBCOMMITTEE ON HUMAN RESOURCES
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
MONDAY, NOVEMBER 15, 1993
RAYBURN HOUSE OFFICE BUILDING, ROOM B-318
BY MARK J. LEFCOWITZ
ON THE IMPACT OF IMMIGRATION ON WELFARE PROGRAMS

Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to testify before you today. My name is Mark J. Lefcowitz. I come before this subcommittee as a private citizen, as well as a welfare caseworker specializing in benefit programs for almost fourteen years. Beginning in 1978, I was employed for ten years with the Pennsylvania Department of Public Welfare, and subsequently have been employed with the Fairfax County Department of Human Development for the past four years. Additionally, I am a freelance writer specializing in public welfare issues.

At present, I handle a caseload of approximately 1,400 cases. I estimate that 80% - 90% of my caseload consists of individuals and families who have immigrated to this country within the past ten years.

I make eligibility decisions that determine whether applicants will receive cash, Food Stamp, and Medicaid benefits every day. And every day, I watch as the welfare system is plundered by individuals who have been sponsored by both U.S citizens and non-citizens to be allowed to live and benefit from the social services of this country.

Before going further, let me make it clear that I am not a xenophobe. I am not motivated to give testimony today for the purpose of immigrant bashing. Indeed, one of the reasons I have kept silent on this issue outside the confines of my own agency is due to my fears that any report I might give might be misused in

the hands of non-professionals. I feared a report on the abuse of, and the problems associated with, the administration of public welfare programs for immigrant populations might be used inappropriately by hate-mongers and others for their own political purposes.

I further stress that not all Fairfax County offices of the Department of Human Development have as high a ratio of immigrant clients as does my office, nor do all eligibility workers. My office handles approximately 800 intakes each month; of those cases approximately 50% are recently arrived immigrants and permanent resident aliens. An additional 25% are U.S. citizens of foreign extraction. I do not have any statistics on the ratio of Aid to Families with Dependant Children (AFDC) recipients who are U.S.-born, and whose parents are non-citizens. In my limited experience in this particular program, involving this specific population, I would estimate that the ratio would be extremely high, possibly three to one or higher.

My co-workers are as diverse a group of individuals as I have ever worked with. Many are not U.S. born, a few not even U.S. citizens, and a fair number of them have sponsored relatives and friends themselves so they might live in this country. Based on discussions with my colleagues, regardless of their individual background, a majority would agree with the substance of the testimony that I give today.

Finally, I emphasize that many of the problems associated with the administration of welfare benefits for immigrant populations are the same problems associated with non-immigrant populations. There is a lack of sufficient staffing; a lack of a clear and practical social vision which is translated into a clear and

practical social policy; overly complicated and sometimes contradictory regulation; undue judicial interference; lack of data collection which is consistent and accurate; lack of leadership and ability at the state and local level; and what I feel is the worst of all, a welfare system which ultimately encourages economic and social dependence and dysfunctional behavior.

These problems cut across political party lines and political ideology. These problems have existed for decades in the federal government, as well as in each of the states. There is plenty of blame to go around.

As I have stated, every day I watch the welfare system taken advantage of by individuals who have been sponsored into this country. But it is worse than that. Every day my fellow workers and I are forced to deny benefits to elderly and disabled individuals who have worked extremely hard for nickels and dimes all their live. These are people who have contributed to this country; who have paid taxes, who have supported welfare programs and disability programs through wage contributions. These are people who need help; people who are getting perhaps \$500 or \$600 dollars in Social Security and retirement benefits every month, and from this meager income are expected to "spendown" through the payment of out-of-pocket medical expenses to a semi-annual net income of \$1950 before they are eligible to receive full medicaid benefits.

And every day, my fellow workers and I are forced to approve benefits to individuals who have been sponsored into this country within the past three years; many of them elderly and automatically eligible for full medicaid benefits; individuals who have never contributed a single dime to this country and who will be

effectively wards of the state for the remainder of their lives in this country.

How can this happen? Congress has built piece-meal immigration and welfare systems which encourage sponsored aliens, many of them elderly, to be brought into this country and to live off the welfare system.

And ultimately, there can be no doubt, it is the federal government which is responsible. It is the federal government which interprets the welfare laws of this land and which sets welfare policy and goals. It is the federal government who makes immigration policy. And it is the inconsistencies among these policies which allow sponsored immigrants to have access to this country, its resources, its welfare system, and the welfare system's entitlements.

To paraphrase Field of Dreams: If you build it, they will come.

DIVIDED AGENCY RESPONSIBILITY

There are a number of federal agencies responsible for welfare policy. Each agency promulgates its own regulations, and this cumulative body of federal policy and regulations is in turn interpreted by each individual state's Department of Welfare or Department of Social Services to ensure entitlement program compliance. It is then promulgated to the individual local agencies as state policy.

These federal regulations are often so inconsistent with one another that they frequently contradict and negate one another. One prime example is the issue of confidentiality. Due to strict non-disclosure laws, it is virtually legally impossible to notify authorities of deceptive practices by any applicant of welfare

benefits.

Unfortunately, it is not unusual for a newly arrived sponsored alien to come to a welfare office within weeks -- sometimes days -- of entering this country to apply for benefits. In Virginia, this problem in the past revolved around the State's General Relief program. Only recently has this problem been rectified by requiring the "deeming" of sponsor income and resources in the determination of eligibility.

Obviously, state funded programs are beyond the scope of this committee and the federal government. But it illustrates the point that the sponsors of permanent status aliens often lie to the Immigration and Naturalization Service (INS). Individuals -- sponsored by others who have promised to support them financially for a three year period -- routinely apply for and are eligible for Welfare benefits.

From the line worker's perspective -- and I think, too, from the perspective of most taxpayers -- this reality is rather incomprehensible. Our first inclination is to report the sponsor to INS. The problem is we can't; federal and state policies regarding confidentiality prohibits the reporting by my agency of any information obtained in the process of application for welfare benefits.

To my mind, and the mind of most of my fellow caseworkers, this just plain doesn't make any sense. We administer federal entitlement programs, we routinely get both immigration status and financial information from a variety of federal agencies, but we are prohibited from revealing information which indicates that an individual has lied to immigration authorities in order to get someone into the United States as a permanent status alien.

Another example is that despite sponsored status, any individual 65 years of age or older is eligible for Medicaid, provided they meet income and resource requirements. That means that elderly parents and grandparents of sponsors are eligible for full Medicaid coverage within weeks of entering the United States, although they have neither contributed a single nickel, or done anything to earn the privilege of that eligibility.

Yet at the same time, as noted in my introduction, my fellow caseworkers and I have no option but to deny Medicaid benefits to elderly individuals who have worked, paid taxes, and served their country, but who are marginally over the net income limit of \$325.00 a month.

For many of us, this an unbearable situation.

PLAYING THE SYSTEM

This country is allowing individuals to enter this country who are already aware of and are planning to use this nation's welfare system. Rather than relying on the financial support of their sponsors until they are able to become self supporting, many of these individuals are counting on the welfare system to support them, and never become self-supporting.

The current procedure of "deeming" a sponsor's income is mitigated because there is no limit to the number of people a sponsor can bring into this country.

It is obvious, also, to most of us on the line that there is a good deal of deception taking place when sponsors declare income and resources to the INS, and a great deal of deception when these very same sponsors report depleted resources and lost income to intake welfare caseworkers, soon thereafter.

If a sponsor successfully hides income and resources, there is

little the line intake worker can do, except authorize benefits.

One particular case of playing the system comes to mind:

A permanent status alien sponsored his mother-in-law into this country three years ago. This woman was well over 65 years of age, and therefore eligible for Medicaid benefits.

While ineligible for Supplemental Security Income (SSI) benefits due to excess "deemed" sponsor income, the mother-in-law applied for and was granted General Relief benefits, which at the time of application made no provision for sponsor income and resources. When the Virginia General Relief program changed its policy toward sponsor income, this mother-in-law was "grandfathered" into the program because she was already receiving benefits.

Several months ago, she celebrated her third anniversary in this country. Because sponsor income is no longer "deemable" after three years, this woman became immediately eligible for SSI benefits because she is aged. She also applied for and has been determined eligible for Food Stamp benefits because she now claims that she eats separately from the rest of her family.

Her sponsors -- her son-in-law and her daughter -- have now returned to their home country permanently, leaving the mother-in-law in the care of one of their college-age daughters. The mother-in-law, however, continues to collect SSI benefits, Medicaid, and Food Stamps.

Recently, this woman flew back to her home country to visit her daughter and son-in-law for several weeks and returned back to this country, her benefits intact.

GENERAL POLICY RECOMMENDATIONS

I urge this subcommittee to further explore, in much greater

detail, the issue of the impact of immigration on welfare programs. I ask that the committee consider recommending the adoption of much more restrictive language for welfare benefits for non-U.S. citizens and their dependents, both permanent status aliens entering the United States under sponsored status as well as refugees who I have refrained from mentioning in this testimony here today.

Specifically, I recommend the following:

1. That the time limit for sponsorship responsibility be extended from three years to at least five years for immigrants under the age of 55. For individuals over the age of 55, where the possibility of gainful employment is extremely low, sponsorship should be a lifetime commitment.
2. That sponsors of immigrants attest that the individuals they sponsor into this country will not apply for welfare benefits -- either federal, state, or municipally funded entitlement programs -- or Supplemental Security Income (SSI) benefits, and that each sponsor be bonded as a condition of sponsorship, in the event that a sponsored individual under their financial responsibility does apply for welfare benefits of any kind.
3. That permanent status aliens not be eligible for welfare benefits or SSI benefits until they have demonstrated self-sufficiency through the reporting of earned income to the Internal Revenue Service for a three year period. That in all such cases where self-sufficiency has not been demonstrated, sponsorship responsibility be extended until such time as self-sufficiency has been demonstrated.
4. That the minor dependents -- whether U.S. born or non-U.S. born -- of a sponsored alien be considered dependents of the

sponsor until such time as they become emancipated adults.

5. That the number of individuals that can be sponsored by any one individual or married couple -- both at any one time or during their lifetime -- be finite.

6. That confidentiality regulations regarding divulging information about sponsors and/or their sponsored immigrants be lifted in such a way as to encourage the free flow of information between the local agencies and the regional offices of the INS, particularly as it relates to possible fraud. And that INS be encouraged to collect and pursue immigration fraud allegations vigorously.

7. That sponsor fraud be made a criminal offense, punishable either by fine and/or imprisonment. And that sponsored immigrant fraud also be made a criminal offense punishable by deportation.

8. That local agencies who have inordinately high caseloads of non-U.S. citizens be acknowledged to have special problems associated with the handling of such caseloads, including the need for translators, the need for federal assistance in obtaining more line workers, and the need for federal mandated caseloads which are lower in number than agencies which do not serve such populations.

9. Last, I recommend that this subcommittee make a concerted effort to encourage and mandate the codification of all welfare regulations among the many federal agencies so that there is consistency, uniformity, and as much simplicity as possible among the many federal regulations having to do with immigrants and their eligibility for welfare benefits.

I will be more than happy to answer any questions I can on these issues at the pleasure of this subcommittee.

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Chairman FORD. Ms. Sotomayor. You are recognized.

**STATEMENT OF MARTA SOTOMAYOR, PH.D., PRESIDENT,
NATIONAL HISPANIC COUNCIL ON AGING**

Ms. SOTOMAYOR. I would like to preface my comments with two points. I would have liked to have an elderly Latino be here and put forth what it is like to be elderly and what it is to be a Latino.

Second, I was terribly concerned about the lack of historical and cultural context of all of the presentations made here today. I would like to point out that I am a sixth generation of immigrants of Mexican descent. I come from a family that for generations has traveled back and forth from Mexico to the United States, illustrating the tremendous bonds that have existed between the two countries for hundreds of years. It is our history and tradition to go back and forth. And that continues today. All you have to do is go to Chicago and see how the people who are here, immigrants from Mexico, go back over the weekend and come back for the week.

I was also quite pleased to note that the objective of this hearing is not to engage in immigrant bashing, although this comes in many forms and it has many faces. But, rather, to examine the social, economic, and political factors that different racial, ethnic, and linguistic groups bring to the table as new societies of the future are forged. Mass movements of people is the style of the day, not only in this country but all over the world. And reasons for these movements should be easier to understand simply because of mass media and other means of communication that makes information available to us.

Whether we like it or not, diversity is a given. We must now move forward and seek solutions and harness the tremendous human capital that these diverse groups represent, acknowledging their potential contribution.

My comments will be limited to addressing issues of Latino elderly in comparison to the elderly in general and the role that social insurance programs play in the distribution of resources, particularly SSI.

The fact of the matter is that by any measure of economic well-being, the plight of older Americans has improved substantially, I really should say tremendously, because of entitlement programs targeted specifically to meet their needs. While the poverty rate remained relatively flat since 1984—this is for all the elderly—a recent survey of the Urban Institute, that is to be released tomorrow, points out that Federal food assistance programs designed to alleviate hunger leave two-thirds of needy seniors unserved.

But these findings say more, much more. The fact that this is the first time that such information is available is of utmost importance for the lack of information about the prevalence of hunger leads people to believe that everything is all right for the elderly of this country.

Without this type of data, policy development continues to take place outside the day-to-day realities of the most vulnerable populations such as Latino elderly who have no voice and thus remain invisible. Without this type of data to lead action strategies, hunger for this population group continues to be the intimate secret known only by those closest to the person who is hungry.

The findings of the survey are devastating for Hispanics for they underscore the fact that being Hispanic is one of the determining factors for food insecurity, that is, lack of adequate diets, unavailable, unaffordable, or inaccessible—along with income, financial circumstances, and health conditions.

Yet lack of accessibility and low utilization rates of programs designed to ameliorate hunger such as food stamps, nutrition and meal programs, and entitlement programs such as Social Security, SSI and QMB continue to be an issue for which effective solutions are yet to be found.

It needs to be pointed out that for other elderly these public programs have played a major role in raising their standards of living. Social Security represents the government's most successful poverty program and SSI continues to offer benefits to the poorest of the elderly. Introduction of Medicare and Medicaid in 1965 helped alleviate the tremendous burdens of health spending that face this portion of the population. And before any changes can take place, it is very important that all of us understand the impact that these policies have had in improving the well-being of the most vulnerable populations such as the elderly.

Together, Social Security and SSI provide the base for incomes of older Americans. Over the last 26 years, Social Security benefits increases have played an important role in economic growth. In contrast, SSI has become a less important contributor to the well-being of the elderly because of the low participation rate by the elderly themselves. This type of assistance remains unable to reach the most vulnerable of all the low-income elderly.

Who are the Hispanic elderly receiving entitlement programs? Are they really illegal immigrants who are ripping off the country? The bulk of the Latino elderly are Cuban-Americans who came here as political exiles. The next largest number are elderly of Mexican descent, a group that has been here since the early twenties. The new immigration wave really did not bring any substantial numbers of elderly. They will become 65 in about 15 years from now after working in this country for a good number of years and paying their share of local and Federal taxes.

The next population group that is increasing tremendously is the Central American group; I think that this is the group my colleague here was referring to. Let me point out that they are here because of policies of this country toward Central America. Nearly two-thirds of elderly Hispanics receive neither a private pension nor Social Security. And, as a whole, only 80 percent of Latino elderly receive Social Security benefits compared to 93 percent of whites and 88 percent of African-Americans. Because of their work history characterized by underemployment; overrepresentation in unskilled occupations; exploitation by employers who do not pay their Social Security taxes or any other taxes on their behalf, as highlighted with the so-called nanny scandals; and discrimination, the Latino elderly must resort to the families for support, who are already financially taxed.

SSI, if accessible to them, could well be the only income to make life bearable, yet their participation rate in SSI is lower than among all elderly. Only 39 percent of those eligible receive it.

In 1990, the staff of the Social Security Administration testified before the House Select Committee on Aging that benefit levels for Hispanic individuals and couples were only 75 percent and 90 percent respectively of the poverty levels. A preliminary report of the Department of Health and Human Services, the Office of the Inspector General, acknowledges the problem in reaching the Latino elderly and point out that SSI is not adequately serving their needs. In many cases, SSI eligibility also means eligibility for Medicare, Medicaid, food stamps and subsidized housing.

While older Latinos can still count on strong family and informal support networks, overall poverty conditions prohibits any meaningful financial support to make the elderly's existence bearable. Reliance on small Social Security benefits, SSI, and other entitlement programs without a sound financial base in many ways will perpetuate poverty, poor health and food insecurity.

There is no question that the amount received from entitlement programs really will not allow anyone to live above the level of poverty. The real challenge for all of us revolves around the issue of developing policies that are based on the conviction that in order to meet the needs of the most vulnerable elderly, a strong role of government in the distribution of resources is essential.

Higher wages over time, private pensions and increased savings and loans do not address the problems of the vulnerable elderly. Only public spending can successfully alter the distribution of income to needed groups. Anyone at any time can become just as vulnerable as this group of Latino elderly. Let's remember that the Social Security Act was enacted right after the experience of the great depression where everybody was susceptible to this kind of poverty.

Social insurance programs that offer protection for individuals from the uncertainties of a lifetime and work experiences, or programs that directly target aid to the most vulnerable, are very much needed. Entitlement programs after all are not charity but the right of every individual who works and pays taxes.

And Latinos definitely pay their share of taxes. Most of the money goes to food and clothing, and that is where most of the taxes are paid. Support for social insurance programs is not an ideological issue but a sound economic strategy. Increased diversity and economic status of the elderly pressures for changes in income support programs, but unless decisions are made with great care, policy changes may further disadvantage the needy elderly and the most vulnerable such as the Latino elderly and their families—and I might add other poor elderly and other minority elderly as well.

Enlightened Federal policy must address the diversity among the elderly in a meaningful way. Improved targeting of resources to meet the continued needs of older Americans must be a serious consideration. Certainly Federal policies and programs must join private sector initiatives that support midlife and older individuals in the quest for economic solutions that value the tremendous contribution of which they are capable.

I appreciate the opportunity of being here.
Chairman FORD. You are certainly welcome.
[The prepared statement follows:]

STATEMENT OF THE
NATIONAL HISPANIC COUNCIL ON AGING (NHCoA)

Prepared and Presented by
Marta Sotomayor, Ph.D.
President

BEFORE THE

SUBCOMMITTEE ON WAYS AND MEANS
HEARING ON THE IMPACT OF IMMIGRATION ON WELFARE PROGRAMS

November 15, 1993

On behalf of the National Hispanic Council on Aging, I appreciate the opportunity to present a statement before the Subcommittee on Human Resources, Committee on Ways and Means. My statement focuses on the impact on SSI and other Entitlement programs on the economic, social and political wellbeing of Latino elderly and their families.

The NHCoA: The National Hispanic Council on Aging (NHCoA) is a membership based organization headquarters in the Nation's Capital with chapters and affiliates, organizational and individual members found in practically every state of the country. The NHCoA is an advocate organization. Its mission is to improve the social, economic, and political conditions of the most vulnerable Latino elderly and their families through empowerment, self-help and mutual help. It provides education and training, develops educational materials for its constituency, conducts demonstration projects, and other capacity and knowledge building projects.

I am quite pleased to know that the objective of this Hearing is not to engage in "immigrant bashing" but rather to examine the social, economic and political forces that different racial, ethnic, and language groups bring to the table as the new societies of the future are forged. Mass movements of people is the style of the day, and reasons for their movement should be easier to understand aided by communication technology that clearly point out that gone are the days of cultural and language isolation. Diversity is a given; we must now move forward and seek solutions recognizing the tremendous human capital that these diverse groups represent and acknowledging their potential contributions. My comments will be limited to addressing issues of Latino elderly and the role that government programs play in the distribution of resources.

The Urban Institute's Survey: The fact of the matter is that by any measure of economic well being the plight of older Americans has improved substantially because of entitlement programs targeted specifically to meet their needs. While

their poverty rate remained relatively flat since 1984, a recent survey of the Urban Institute points out that federal food assistance programs designed to alleviate hunger leave two-thirds of needy seniors unserved.

But, these findings say more, much more. The fact that this is the first time that such information is available is of utmost importance for the lack of information about the prevalence of hunger leads people to believe that everything is alright with the elderly of this country. Without this type of data, policy development continues to takes place outside the day-to-day realities of the most vulnerable populations, such as the Latino elderly, who have no voice and thus remain invisible. Without this type of data to lead action strategies, hunger for this population group continues to be the intimate secret known only by those closest to the person who is hungry.

The findings of this survey are devastating for Hispanics for they underscore the fact that being Hispanic is one of the determining factors for food insecurity (that is, adequate diets are either unavailable, unaffordable, or inaccessible) along with income, financial circumstances, and health conditions. Yet, lack of accessibility and low utilization rates of programs designed to ameliorate hunger, such as food stamps, nutrition and meal programs, and entitlement programs such as Social Security, Supplemental Security Income (SSI), and Qualified Medicare Benefits (QMB) continue to be an issue for which effective solutions are yet to be found.

It needs to be point out that for other elderly these public programs have played a major role in raising their living standards. Social Security represents the government's most successful poverty program and the SSI continue to offer benefits to the poorest of the elderly. The introduction of Medicare and Medicaid in 1965 helped alleviate the tremendous burdens of health spending that face this portion of the population. Before any changes can take place, it is very important that all of us understand the impact that these very important policies have had in improving the well being of the most vulnerable elderly. Together, Social Security and Supplemental Security Income provide a major base for the incomes of older Americans. Over the last twenty-six years Social Security benefit increases have played an important role in income growth. In contrast, SSI has become a less important contributor to the well being of the elderly in part because the low participation rate by the elderly. This type of assistance remains unable to reach all low income elderly specifically Latino elderly.

Population Description: According to the U.S. Bureau of the Census (1990) the numbers of Latinos 65 years of age and over tripled in the last two decades, most have been in this country for generations with added numbers of recent immigrants from Central America as a result of horrendous civil wars of which they had no control. Immigrants of Mexican and Central American descent came here to work not to depend on welfare as some groups wants us to believe.

The overall size of Latino elderly will continue to grow at a higher rate than elderly of other racial and ethnic groups in the country; it is this age group that is growing the fastest within the Hispanic population per se that in 1990 exceeded the "highest series" estimates by the Bureau of the Census.

Poverty Levels Among Latinos: The most recent Bureau of the Census figures (1992) show that the 22.1 million Latinos are three times more likely to live in poverty than whites, accounting for 18 percent of all citizens living in poverty; yet, comprising only 9 percent of the country's total population. The income levels of Latino elderly are well below the poverty levels established by the federal government for those over 65 years of age; over 8 percent have incomes below \$2,000 per year. In 1989, the per capita income of Hispanic men 65 years and over was only 62 percent of the income of White males of the same age. This proportion is even higher, or 78 percent, among older Latinas. In 1990, 17 percent of Hispanic families with a head of household 65 or older was poor compared to 5.9 percent of non-Hispanic families. But, a higher proportion, 51.2 percent, of female Hispanic elderly householder lived on incomes below the poverty level.

Income: It is almost impossible to separate food security from adequate resources; an adequate income is required to obtain food. Latino elderly lack the necessary resources to do so. It is no wonder that to be an elderly Latino is in itself a causal factor for food insecurity. Nearly one-third of this particular group receive neither a private pension nor Social Security. As a whole, only 80 percent of Latino elderly receive Social Security benefits compared to 93 percent of Whites and 88 percent of African Americans. Because of their work history, characterized by underemployment, over representation in unskilled occupations, exploitation by employers who do not pay social security taxes or any other taxes on their behalf, and overall discrimination, Latino elderly must resort to their families who are already financially taxed.

SSI, if accessible to them, could well be the only source of income to make life more bearable for them. Yet, their participation rate in SSI is lower than among all elderly; only 39 percent of those eligible receive it. In 1990, staff from the Social Security Administration testified before the House Select Committee on Aging that benefit levels for Hispanic individuals and couples were only 75 percent and 90 percent respectively of the poverty levels. A preliminary report of the Department of Health and Human Services, Office of the Inspector General (April, 1990), acknowledges the problem in reaching the Latino elderly and point out that SSA is not adequately serving their needs. In many cases SSI eligibility also means eligibility for Medicaid, food stamps, and subsidized housing.

Health Status: Despite the reported poor health status of Latino elderly, only 83 Percent receive Medicare coverage compared to 96 percent of all elderly. Eight percent (8%) report having no access to any type of health insurance compared with only 1 percent of the general elderly population. The National Center on

Health Statistics (1989) reported that fewer Latino elderly are covered by Medicaid and Medicare than any other group. A lifetime of poverty, lack of education regarding prevention and health promotion programs, and the lack of access to health services, have contributed to higher incidence of chronic health problems leading to higher rates of partial and total disabilities. It is important to note that many of these conditions could have been prevented if access to health care had been available. The prevalence of chronic disease among the poor elderly and the high cost of health care have become an economic force that calls attention to health care reform.

Discussion: The fact that the number of Latinos is growing at a higher pace than other groups in the country, with the 65 year and old and over cohort growing even at a faster rate, raises serious questions about our ability to respond to their growing needs in an environment of diminishing resources.

As we move towards a new century, additional and complex social trends will converge impacting all Latinos, but specifically the elderly, in many different ways. Short term and long term strategies are needed. In the short term, more resources are needed to increase existing nutrition and meal programs; to do more and more efficient outreach programs to enable Hispanic elderly to access programs such as SSI, Food Stamps, and QMB. Efforts to raise the amount of SSI to lift beneficiaries from poverty levels need to be supported as well as efforts to reduce the out-of-pocket costs of Medicare. Inclusion of medications in the proposed health care reform bill will certainly bring some respite. And equally as important, elected officials must become aware that further damage is done as they seek to deal with economic forces by increasing residence eligibility requirements for SSI ; a provision that will negatively impact this population of Latinos more than anyone else.

In the long term, understanding of the causes of poverty must increase in order to find alternative solutions to eliminate its real causes rather than to provide palliative answers. For example, like in any other population group, Latina women live longer than men. Although they are one of the fastest growing groups of working women in the U.S., with an increase of 69 percent in 1992, their poverty rates continue to increase. Yet, Latinas of all ages are entering the labor force in record numbers. Their numbers in the labor force will grow from 3.8 million in 1990 to 6.9 million in the year 2005. Their labor force participation rate is expected to be approximately 58 percent compared to White women labor force growth of 23 percent. This population of Latinas did not experience even a small downturn in total employment during the recession period between 1990 and 1992. Lower family income will likely continue to press Latinas of all ages into seeking employment resulting in increasing labor force participation rates. As they age, they will continue to stay in the work force for longer periods of time, at very low wages, simply because of economic need and lack of access to higher paying jobs. But, low educational levels, low paying jobs, limited marketable skills, discrimination,

pressure to work to supplement family income, residence in areas of high unemployment or in areas with jobs that cater to certain types of skills and low wages, will combine to create almost insurmountable barriers to adequate paying jobs and lack of financial security in old age. Although younger Latinos will continue to comprise an increasing portion of the work force, they will not necessarily earn a decent living or find equal opportunity in the work place of the future.

Younger Latinos are at an economic disadvantage just as midlife and older Latinos. The fact of the matter is that being poor or in poverty at one state in life increases the risk of being impoverished later in life. Unless some drastic changes take place, Latinos of tomorrow face a bleak future in their ability to meet the economic and human costs of becoming the young poor who are becoming older.

Recommended Solutions: These costs would not be necessary if Latinos had the skills to compete in the market place and appropriately rewarded for their work. The future does not hold great promise as Latinos will seek to earn a living later in life in a market place that will require sophisticated technical skills in a society that is becoming rapidly high tech. The fastest growing major occupation groups: executive, administrative and management; professional specialties; and technicians and related support, require the highest levels of educational attainment.

If today's Latinos continue to do the same kind of low-paying work that their parents and grandparents did, the ultimate consequence will be continued poverty. Unless Latinos' have access to educational opportunities and dramatic decrease in dropout rates take place, more time in the labor force today will not help young Latinos achieve economic security as senior citizens of tomorrow.

While older Latinos can still count on strong family and informal support networks, overall poverty conditions prohibits any meaningful financial support to make their existence bearable. Reliance on small Social Security benefits, SSI, and other entitlement programs without a sound financial base, in many way will perpetuate poverty, poor health, and food insecurity.

The real challenge revolves around the issue of developing policies that are based on the conviction that in order to meet the needs of the most vulnerable elderly, a strong role for government in the redistribution of resources is essential. Higher wages over time, private pensions, and increased savings alone do not address the problems of the vulnerable elderly. Only public spending can successfully alter the distribution of income to needy groups. Anyone, at any time, can become just as vulnerable as this group of Latino elderly; social insurance programs that offer protection for individuals from the uncertainties of a lifetime of work experiences, or programs that directly target aid to the most needy are very much needed.

Entitlement programs, after all, are not charity but the right of every individual. Support for social insurance programs is not an ideological issue but a sound economic strategy. The increased diversity in the economic status of the elderly pressures for changes in income support programs. But unless decisions are made with great care, policy changes may further disadvantage the needy elderly and the most vulnerable such as Latino elderly and families.

Enlightened federal policies must address the diversity among the elderly in a meaningful way. Improved targeting of resources to meet the continuing needs of older Americans must be a serious consideration. Certainly federal policies and programs must join private sector incentives that support midlife and older individuals in the quest for economic solutions that value the tremendous contributions of which they are capable.

I appreciate the opportunity of sharing some of my concerns.

Chairman FORD. Ms. Huerta, the Chair will recognize you at this time.

STATEMENT OF DOLORES HUERTA, COFOUNDER AND FIRST VICE PRESIDENT, CESAR E. CHAVEZ' UNITED FARM WORKERS UNION, AFL-CIO; COMMISSIONER, COMMISSION FOR AGRICULTURAL WORKERS

Ms. HUERTA. Thank you, Chairman Ford, for this opportunity to speak here.

I am Dolores Huerta, the cofounder and vice president of the United Farm Workers Union founded by Cesar Chavez. I also serve as a commissioner on the Commission for Agricultural Workers that was established by the Congress after the passage of IRCA. And during that time we spent 3 years going around the country getting testimony from farm workers, employers and community people.

I also want to add that I think I am an indigenous citizen of the United States of America that is testifying here in this group and happy to be so.

In our Commission hearings—I also want to add one other thing. I have had over 40 years of experience now working with immigrants from Mexico, Central America and Asia.

Our findings on our Commission indicated that a vast majority of farm workers live in the poverty level, earning somewhere between \$5,000 and \$7,000 a year while the profits of agribusiness for whom these immigrants work continue to and have continued to go up steadily.

The need for immigrants as for other publics in our country to resort to public assistance programs stems from their poverty level and the refusal of their employers to provide them with a better income or to provide them with medical benefits. If they are fortunate enough to be represented by a labor union, then they can have medical benefits for themselves and their families and an adequate income so they do not have to resort to public assistance. Job security, which is major part of labor agreements, can also give them the protection to keep their better wages and benefits.

Any question as to whether immigrants should receive public assistance programs needs to be based on moral grounds. The group that is being addressed here today is primarily one of persons in the working class, their families, and their dependents.

It goes without saying that if a worker, immigrant or not, is able to secure a better wage, full medical coverage, a job that gives them enough security so that he can earn an adequate wage, it is not necessary to turn to public assistance of any type.

I want to speak specifically about farm workers. These workers feed the Nation daily at a wage that is substandard, often less than minimum wage, and they are workers that everyone acknowledges are terribly exploited. Efforts to unionize these immigrant workers have been met with powerful and violent opposition on the part of agribusiness resulting in many times of the deaths of the people who are trying to organize them. These workers are the most helpless of our society.

They work under feudal conditions. They are subject to pesticide poisonings, unscrupulous labor contractors. Their living conditions

are also a shame to our Nation. Yet they create the wealth of corporate agriculture, and they add to the wealth of the Nation in addition to giving us the tremendous service of putting the food on our tables every day.

When we talk about having people come in with an education, farm work is skilled work. And I don't know, I think and I always say this to college students, if you were on a deserted island, who would you rather have with you, an attorney or a farm worker? I think the answer is pretty clear there.

Recently the Department of Labor, jointly with California's Industrial Welfare Commission, they did what is known as a TIP program, and they found many, many violations of minimum wage law. When we have been successful in organizing farm workers under the State of California's Agricultural Labor Relations Act under the Governorship of Jerry Brown, we were able to secure collective bargaining agreements with adequate wages and a full medical plan that included dental, vision, major medical and death benefits for the entire family of farm workers. I should also add a pension plan.

Unfortunately, when we had the Republican administrations of Deukmejian and Wilson come in, the enforcement of that law was taken away from those workers and they lost those benefits.

I think we have to admit that we have been under a tremendously antiunion climate not only in California but throughout the United States throughout the last 12 years. I think it is an irony that we would want to deny food stamps to the farm workers because they are immigrants, and they are the very people that are providing the food for the Nation but they cannot earn enough money to feed their own families or to provide them medical benefits.

When Governor Wilson was in the U.S. Senate, he authored a bill to bring in foreign workers to work in agriculture without any type of society security, unemployment insurance or rights of immigration. That effort was defeated. At that time we characterized our opposition to the Wilson amendment as institutionalized slavery. To have people work without getting benefits that all American workers have had for half a century is truly immoral.

Many of the statements that have been made here about women that have had children and the children are citizens—they are not citizens. Many of these are people who have come to join their husbands who were legalized under the amnesty program and the seasonal agricultural workers program.

Mexico has a national health care system. Every citizen in Mexico is eligible for the national health care. Our union, United Farm Workers, has signed a contract with the Mexican Government so that the workers who we do not have under a union contract can go to Mexico and get a full medical coverage for \$400 a year, and it covers all of the family, including the grandfathers and the father and mother, and they can add a single brother or sister on it for \$110 a year. Our members are going to Mexico to get their health care.

Women will not come here to have a baby to get public assistance. There is no way that anyone can live on the welfare of one child in California. I mean, the welfare benefits are not that great.

I think it is—what?—for one kid, it is \$225 a month. Who can live on that? This is part of the hysteria that is being whipped up.

Back in the 1930s when we had a depression, they repatriated 480,000 Mexicans to Mexico along with their citizen children. But we have now in this anti-immigrant hysteria that is being whipped up—and unfortunately by many of our political leaders—this is kind of an indirect effort at repatriation. Let's take away people's support system and then maybe they will leave.

This is having tremendous repercussions. Some of the workers—for instance, I was in Rochester, N.Y., about 4 weeks ago. A woman, Mexican-American woman from Texas, went to apply for food stamps. The director of that office called the immigration on her and tried to have her arrested until she could prove that she was born in Texas.

Farm workers who are legalized went into a store to buy groceries, and the owner of that grocery store called the immigration in to have them arrested.

You know, this hysteria has been extremely harmful. If we do have a national health care plan that places the responsibility on the agribusiness employer for the health care of their workers then this would eliminate the need for any immigrant farm workers to rely on any public assistance of any kind. If public assistance programs are seen as subsidies, they are not subsidies to the workers, they are subsidies to the employers who do not pay their workers an adequate wage and who do not provide them with medical benefits for themselves and their families.

The hundreds of thousands of immigrant farm workers and other workers pay taxes that far exceed any public assistance that they receive. Our Nation is a Nation of immigrants. When we pursue these policies of anti-immigrants, this adds to the racism and divisions that is tearing our country apart. We cannot afford to scapegoat immigrants for the economic ills and the budget deficits of our country. The billions of dollars that the taxpayers are being asked to pay to bail out the savings and loan industry are much more to blame than the immigrants that may need our public assistance programs and programs that they help pay for through their labor and their taxation.

One other point. When people come from Mexico here to work, they come here many often as young men. In Mexico, the Mexican Government, through their food subsidies and through their national health care system, actually subsidized, you know, the development of that worker who comes here to the United States to work. So we are, in fact, receiving a person that another government really paid for to nurture and to raise to adulthood and then we get the benefit of their work and in most cases we continue to exploit them.

One other point. At this point in time, you know, we are talking about global economies. We are talking about moneys that are moved all over the word. We are talking about businesses that are moving all over the word. But yet we are saying we don't want workers to move all over the world.

To my view, it seems to me that that is a Neanderthal point of view. Even in the United Nations in Geneva there has been a migrancy convention that has been introduced that immigrants will

have the rights not only of welfare rights but also political representation, which is—in fact, in our United States of America, at one point in time immigrants here were the voters of this country because all of the people that came here except for the native Americans and us indigenous people were the immigrants to the United States.

[The prepared statement follows:]

TESTIMONY OF UNITED FARM WORKERS AFL-CIO

Ways and Means Committee
Impact of Immigration on
Welfare

November 15, 1993

Testimony of Dolores Huerta
First Vice President

P.O. Box 62,
Keene, California

My name is Dolores C. Huerta. I am the Co-founder and first Vice President of the United Farm Workers Union AFL-CIO. I also wish to add that I served as a Commissioner on the Commission for Agricultural Workers established by Congress to study the impact of the Immigration Bill on agricultural workers. The report of that Commission was submitted to the Congress in February of 1993.

Our Commission held field hearings over a period of three years hearing from farmworkers, employers and other interested parties throughout the United States.

Our findings indicated that a vast majority of farmworkers live in the poverty level earning somewhere between \$5,000 and \$7,000 a year, while the profits for agribusiness continue to increase.

The need for immigrants, as for other publics in our country to resort to public assistance programs stems from their poverty level and the refusal of their employers to provide them with a better income or to provide them with medical benefits. If they are fortunate enough to be represented by a labor union, they can have medical benefits for themselves and their families, and an adequate income. Job security which is a major part of labor agreements can also give them the protection to keep their benefits and wages.

Any question on whether immigrants should receive public assistance programs needs to be based on moral grounds. The group being addressed here today is primarily one of persons in the working class, their families and their dependents.

It goes without saying that if a worker, immigrant or not, is able to secure a better wage, full medical coverage, a job that gives the worker enough security so that he can earn an adequate wage, it is not necessary to turn to public assistance of any type.

I wish to address specifically immigrant workers in the agricultural area. The vast majority of the agricultural workers in the United States are immigrants. Many of them have had their permanent resident status for decades; others have been newly legalized under the Immigration Act of 1985.

These workers feed the nation daily at a wage that is sub-

standard, often less than minimum wage, and they are workers that everyone acknowledges are terribly exploited. Efforts to unionize these immigrant workers has been met with powerful and violent opposition on the part of Agribusiness. These workers are the most helpless of our society.

They work under feudal conditions, subject to pesticide poisoning, unscrupulous labor contractors. Their living conditions are also a shame to our nation. Yet, they create the wealth of corporate agriculture and add to the wealth of the nation, in addition to giving us the tremendous service of our national food supply.

Efforts by our union have been successful in the past. When we were successful in California under that State's Agricultural Labor Relations Act and under the governorship of Jerry Brown; we were able to secure collective bargaining agreements, with adequate wages and coverage of workers under a full medical plan that included dental, vision major medical and death benefits for their entire family. Unfortunately, the change of administrations and the lack of enforcement of the above law has taken away from worker those benefits that were won with so much human sacrifice.

When Governor Wilson was in the U. S. Senate, he authorized a bill to bring in foreign workers to work in agriculture without any type of social security, unemployment insurance, or rights of immigration. That effort was defeated. We characterized in our

opposition to the Wilson amendment to the Simpson-Mazzoli Immigration bill of 1985, "institutionalized slavery".

To have people work without getting benefits that all american workers have had for half a century is truly immoral.

The Seasonal Agricultural Worker program was enacted instead as part of the Immigration Reform Act of 1985.

Under that measure, undocumented farmworkers were legalized, with the right of residence and eventually citizenship in the United States. However, this process takes several years to complete.

Those workers that before were able to take care of their medical needs with our Robert F. Kennedy Medical plan, (a multi-employer-union plan) must now turn to Medical for their needs for their families. Workers who never had to apply for food-stamps now must depend on them to feed their families.

The newly legalized workers for the most part are not eligible to receive many of our public assistance programs, especially welfare. In some instances they are eligible for emergency services only.

Many immigrants who have been here for decades and are qualified to receive these assistance programs do not out of pride and instead rely on other family members to keep their families fed.

Many of the younger immigrants that have come to this

country, come from countries, such as Mexico, where food subsidies and other government programs have nurtured these individuals. Our country, the United States then becomes the beneficiary as they arrive in the peak of their youth to give their energy as part of our national agricultural product.

To entertain policies that would not provide these persons, who produce so much to make our society a better place, assistance that they need when they are in need is unthinkable. In addition it adds to the exploitation that they are already suffering.

If public assistance programs of any kind are seen as subsidies, they are not subsidies to the workers. They are subsidies to the employers who do not pay their workers adequate wages and do not provide them with medical benefits for them and their families.

The formation of a national health care plan that places the responsibility of the agribusiness employer of the health care of their workers should eliminate the need for immigrant farm workers to rely on any type of public assistance for health care.

I also wish to note that in many states of the United States farmworkers are not covered by full workers compensation. In those states who do not have this coverage, again the immigrant farmworker must rely on any type of public medicine that he can rely on.

These problems are political and may also be called racial as the vast majority of farmworkers are brown and black and immigrants. There is no logical, economic or moral reason why farmworkers should not have these protections that other workers have enjoyed for half a century.

The hundreds of thousands of immigrant farmworkers (and other immigrant workers) pay taxes that afar exceed any public assistance that they receive. But the human element must be first and foremost. Our nation is a nation of immigrants. Many of the immigrants that are being considered to deny benefits are the indigenous people of this continent.

Pursuing these policies adds to the racism and division that is tearing our country apart. We cannot continue to scapegoat immigrants for the economic ills and budge deficits. The billions that the taxpayers are being asked to pay to bail out the savings and loans are much more to blame than immigrants that may need our publica assistance programs, programs that they helped pay for through their labor and taxation.

Chairman FORD. Does that complete your testimony?

Ms. HUERTA. Well, just one other thing. You asked the question repeatedly why do people go to California, and Texas, and Arizona. They happen to be pretty big States.

Chairman FORD. Are low skilled American workers being displaced from jobs because there are too many immigrants in this country?

Ms. HUERTA. The employers—agribusiness employers—have continually gone into the interior of Mexico to recruit workers to come in because that way they can pay them lower wages. To blame the immigrants because they have been recruited to come with the promise of jobs is like—is blaming the victim. The ones who should be blamed are the employers who created the situation. There has not been—

Chairman FORD. The question is are they taking jobs away from Americans?

Ms. HUERTA. No, they are not taking jobs away from Americans.

Chairman FORD. OK. Mr. Huddle, I don't know where you get all of your statistics, but respond to some of the criticism earlier by Mr. Fix.

Mr. HUDDLE. Sure. First time I had seen him, but you are right. There were some criticisms by Mr. Fix. Both the L.A. study and San Diego study as updated and my study were criticized in Mr. Fix's report. My response to The Urban Institute's study and their earlier criticism is that I think they have systematically overestimated revenues and systematically underestimated the costs—public service costs of the immigrant.

And they have done a rather large number of very arcane things to arrive at their estimates. For instance, they have a simulation program that estimates tax burdens and income. They use a very small sample relative to the ISD sample in arriving at these very high tax payments and high incomes by these people. I know of no way to verify or repudiate this simulation program, but I do know that the ISD report pointedly looked at the assumption that immigrants are paying the higher amount that the simulated program estimated. And they rejected it.

Chairman FORD. Why do you think—

Mr. HUDDLE. But, in fact, immigration researchers have found that a very low amount of these simulated payments are in fact paid. For instance, on illegals about 56 percent of the so-called income is actually paid in terms of the percent of people paying it. For legal immigrants it is higher. But they are both far below the conformance of American native born and earlier immigrants—pre-1970 immigrants. That is one very big factor. There are a number of others I would be happy to go into.

I omitted FICA because we could not accurately estimate those payments and the payouts for the post-1970 immigrants. But we have subsequently done a study that shows that if we had included those revenues and the payouts, the net outcome on Social Security would have been an additional \$2.7 billion deficit. Mr. Fix is only looking at one-half of the equation. That is billions and billions of dollars that are not estimated as revenues, but they are not looking at the payouts of the system to these people, which are even larger.

Chairman FORD. I am still puzzled by how you arrive at your numbers.

Mr. HUDDLE. Well, my numbers are all right here, sir.

Chairman FORD. In contrast to others, it is baffling to comprehend how you come up with these numbers.

Mr. HUDDLE. Well, actually my numbers—

Chairman FORD. \$18.9 billion for the cost of assistance to U.S. residents unemployed because of immigration.

Mr. HUDDLE. That is right. I personally have done five studies and also consulted the Altonji-Card study. Both the cross estimates for 1970 and 1980 indicate very large scale—

Chairman FORD. Why do they differ so sharply from others?

Mr. HUDDLE. Pardon?

Chairman FORD. Why do they differ so sharply from others?

Mr. HUDDLE. They don't.

Chairman FORD. They don't?

Mr. HUDDLE. No. See, earlier studies of displacement were always done incorrectly in the following way: They looked at large labor markets, and the trouble is the effects of displacement are washed out. They combined skilled, semiskilled, and unskilled labor. Altonji-Card and my studies which are more economic anthropology, changed the approach. I have looked at the 1982 INS program that took immigrants off the jobs and then looked at how many native born and early immigrants were taking those jobs. I have done four controlled experiments in the Houston—

Chairman FORD. But was Mr. Fix wrong in his testimony that he gave us?

Mr. HUDDLE. I think he is definitely wrong, yes. He is referring—

Chairman FORD. But aren't his numbers more accurate than numbers in your testimony?

Mr. HUDDLE. No, his numbers are not more accurate. They are greatly overinflated in my opinion.

Chairman FORD. You don't plan to go back and recalculate your numbers at all?

Mr. HUDDLE. I have done a little recalculation on the things that I thought Mr. Fix and his cohorts were more correct about and also updated according to the more recent California costs. What I found is that we add about \$100 million to our current estimate of net loss if I do that, if I go through those recalculations.

I omit Mr. Fix's Trim 2 simulation because I am convinced that the numbers from Trim 2 are less accurate than the ISD numbers. But taking the revenues and costs he is accurate on, and allowing for the adjustments due to that, I find that total costs of immigration are reduced by about \$3 billion. However, \$3.1 billion is added because of the updated immigrant cost figures just obtained from the California State government.

So, yes, I think his figures are underestimated on the cost side and greatly overinflated on the income side. That is the best I can say unless there is some way of testing the validity of a simulation program.

I know that Mr. Fix's figures are out of whack with what immigration researchers have said about compliance with tax rates and so it is also out of whack with certainly the ISD study and the new

San Diego study. By the way, our own costs, as one test for illegal immigrants costs, are about 25 percent less than the social service cost of the new San Diego study based upon illegal immigrants in San Diego as compared to the entire State. The San Diego study estimated \$5 billion net cost for the entire State due to illegal immigration, whereas the social service costs of our study excluding displacement, comes out to \$3.6 billion.

Chairman FORD. This says you rely on the ISD study income estimates for the legal immigrants in Los Angeles County. He says that the ISD estimates are for L.A. legal immigrants who entered during the 1980s, but that you then use this to represent all legal immigrants.

Mr. HUDDLE. No, only post-1970 immigrants. That is basically what we did was look at the distribution and the income cohorts and the post-1970 census data for immigrants, the foreign born, and we looked at the figures from the ISD study and compared them, and there was no reason in comparing those cohorts to make any adjustment on that particular score. But I did make three other adjustments.

Chairman FORD. He compares the income of legal immigrants in Los Angeles to legal immigrants nationwide. He said that you have misspecified the income as well as the rate at which they are taxed.

Mr. HUDDLE. Right. When we did our original—there is some substance to what he says there, and I made that adjustment in this correction right here. We had originally made an adjustment based upon per capita income in Los Angeles county and the rest of the counties where there are large numbers of immigrants.

Chairman FORD. Nationwide.

Mr. HUDDLE. Nationwide, that is right, because we are going to move from—the only data that is really good that we have is based upon the more complete study in ISD and the less complete study which only covered illegal immigrants in San Diego county. And based upon those per capita costs before we had more full immigration cohort data available, I made an adjustment based upon that. I have subsequently removed that adjustment as part of what I was just talking to you about right now.

Chairman FORD. What about the third?

Mr. HUDDLE. That is part of the offset I provided.

Chairman FORD. Well, he talked about the third major error in your—

Mr. HUDDLE. The what now?

Chairman FORD. Your third major error in calculating these numbers. It says that the L.A. county study, FICA, unemployment insurance and gasoline taxes were not taken into consideration in your calculation.

Mr. HUDDLE. I spoke about FICA just a minute ago and said—

Chairman FORD. I am adding the other two—the unemployment insurance as well as the gasoline tax.

Mr. HUDDLE. The unemployment insurance is paid by the employer. Now, if you tell me that in California where you have 9.8 percent unemployment that these jobs—

Chairman FORD. It is still that employer if it is for an immigrant that is working.

Mr. HUDDLE. It doesn't matter because if someone else would be working there, those unemployment taxes are going to be paid. I do not think that should be added. That is my position. You may differ with me, but I don't believe they should because someone else will be in that job, those taxes will be paid by the employer. It is not paid by the employee. Gasoline tax and these taxes are not included because there is no cost offset on the other side.

Why would you include taxes in an area where you have tremendous highway usage, tremendous highway costs, including the motor vehicle department, and only put in taxes but not include the cost side? There are no estimates of immigrant costs in these areas, but the overall cost would greatly overshadow the revenue from the gasoline tax.

I have done an environmental impact study on driving that shows that costs would far outstrip all of these so-called taxes just on that count alone.

Chairman FORD. Let's say these are taxes that have a large impact on low and middle income people like immigrants.

Mr. HUDDLE. That is fine, but how about the cost? I mean, there are no costs in The Urban Institute's equation. Apparently, it is a costless enterprise to drive. The highways don't need maintenance and upkeep and expansion.

Chairman FORD. One final thing, he said overall your estimates that post-1970 immigrants paid \$20.2 billion in taxes—

Mr. HUDDLE. Right.

Chairman FORD. —Mr. Fix says your estimate is at least \$50.1 billion too low.

Mr. HUDDLE. Right. We disagree about FICA, the gasoline taxes and then we get to that crucial—

Chairman FORD. Where does the shortfall come from?

Mr. HUDDLE. Because of that Trim 2 program. Mr. Fix selected a population of very highly paid immigrants from a very reduced sample compared to the ISD sample. The Urban Institute people—Messrs. Fix and Passel—mysteriously appeared with a 1.5 million sample whereas ISD had a much larger, over a 2 million immigrant sample. Those numbers mysteriously appeared, and Messrs. Fix and Passel believe they are right. I don't believe they are. I have talked to the ISD people and I have greater confidence in their estimates than I do the Urban Institute Trim 2 simulation program.

Chairman FORD. Mr. Shaw. I am sorry for taking so long.

Mr. SHAW. Thank you, Mr. Chairman. This is certainly an interesting hearing. I wish I had been here earlier. It seems that NAFTA is taking a lot of our time, as it has taken my time before coming down here.

Ms. Huerta, I found it very interesting your singing the praises of the national health care in Mexico. Is that available to noncitizens of Mexico who find themselves in Mexico?

Ms. HUERTA. Yes, it is. As a matter of fact, we have had occasions where some of our members who were not Mexican citizens but were visiting relatives in Mexico had some type of infirmity. One in particular I remember is a car accident, and they were taken care of and flown, because their system there, they have like small clinics and then they fly them to transport them to the big

hospitals whether it is by helicopter, plane. But there have been several cases that I personally know of where they were taken care of when they got ill in Mexico by that system.

Mr. SHAW. Is that a usual situation or do you know of some cases where it has happened?

Ms. HUERTA. I do know some cases.

Mr. SHAW. I want to expand that question—you know of some where that has happened. I want to expand that question as to what other benefits, such as food stamps or the equivalent, are available to American citizens who find themselves in need in Mexico? Are housing subsidies available? Are other things?

How about aid similar to aid to families with dependent children? You made it sound like it was mere crumbs what is paid to immigrants into this country for aid to families with dependent children. Are there similar payments as to the United States made anywhere that you know of in this hemisphere, in Latin America?

Ms. HUERTA. Well, first of all, the crumbs I was referring to were the wages that immigrant workers receive in the United States, especially agricultural workers who work in the richest agricultural State in the world, which is California.

Mr. SHAW. Could you answer the question?

Ms. HUERTA. I am trying to answer your question. That those are the crumbs—when you take—when I was talking about crumbs, those were the crumbs I was referring to.

Mr. SHAW. I know what you were referring to. Your testimony speaks for itself. But my question is are similar payments made in any other country to noncitizens of that country that you know of anywhere in Latin or Central America?

Ms. HUERTA. I do know that in Mexico food is subsidized. I don't what is ultimately going to change because of NAFTA, but, up to very recently, the food in Mexico is subsidized by the Mexican Government so that the food is cheap for people to buy in Mexico. If an American citizen is in Mexico, living there, and would buy that food, then they would be, of course, a beneficiary of that subsidy.

In terms of your other question about in the hemisphere, do you mean Canada or do you mean the world?

Mr. SHAW. No, I am talking about—you were confining yourself to Central and South American, so I am confining my question to that.

Ms. HUERTA. I don't have knowledge about Central America. I only know about Mexico. But, on the other hand, the immigrants that receive—and you weren't here as you said for the earlier part of this hearing—unless you are a legalized immigrant in this country you are not eligible to receive many of the benefits that you just referred to like aid to needy children, SSI, et cetera.

Mr. SHAW. I disagree with you. Your aid to families with dependent children who are born here in this country is paid out in this country to illegal immigrants.

Ms. HUERTA. No, I am sorry, but it is paid for the citizen children, not to the illegal immigrant. It is not for the illegal immigrant. It is to the citizen child, and it is a very small amount of money.

Mr. SHAW. You think it is a small amount of money, but when you start talking about the total benefits, let me share something

with you as to how much it is a year because I really take great offense at people talking about it being so little because we are talking about a great deal of money.

Your AFDC—this is to noncitizens—AFDC amounts to \$.3 billion a year. Your SSI is \$3 billion. Your Medicaid is \$2.7 billion. Your food stamps is \$.8 billion. We are talking about almost \$7 billion a year—\$7 billion a year. Now, that is to noncitizens. And I don't know of any country in the whole world that comes anywhere close to that, particularly not in this hemisphere and particularly not when you are talking about Latin American countries. They just simply do not pay out anything like those benefits.

And when you talk about welfare here in this country, the benefits can mount to around \$13,000 a year where your minimum wage is around \$8,000 a year. That creates a tremendous magnet here in this country. And the question is are people coming here from throughout the world—and this isn't just Latin America, this isn't bashing on any particular group of people—but are they coming here because of the welfare? Do our welfare benefits amount to a magnet? You are darn right they do. You are darn right they do.

People are talking a lot about what workers are paid in Mexico, and I know there is a lot of misinformation out there, but we do know that the Mexican wages are certainly below our minimum wage, so are our welfare benefits a magnet for people to come into the United States? Of course they are.

Ms. HUERTA. Well, I beg to disagree with you. I have worked with immigrants for 40 years now, you know, since I was very young and very intimately on a day-by-day basis. In our union we have offices throughout the State of California, Arizona, Texas, Florida. We work with groups in Washington State and in Oregon. I have never met one immigrant who came here to get benefits from the United States. As a matter of fact, most of them would prefer not to get any kind of benefits and almost have to be—you have to talk them into it even though—they would rather rely on family members to help them.

The newly legalized immigrants that were legalized under the Immigration Act of 1985, many of them are still under eligible for the types of benefits that you are talking about, so that is strictly not true. And I think that you have to take into the calculations I testified the work that they produce for this country, you know. You are not taking into that calculation the amount of work that they do.

Mr. SHAW. I am not going to allow you to push this committee or any member of this committee and especially this particular member of this subcommittee into an area where it looks like we are bashing immigrants. That certainly is not my purpose.

However, I think the record should be very clear that when we talk about immigrants and noncitizens in the various welfare programs, let me just give you some statistics that Mr. Grandy put in the record earlier today.

The supplemental security income and the number of people on it, 520,000 noncitizens. On Medicaid there are 950,000 noncitizens. Food stamps, there are some 900,000 noncitizens. With your Aid to Families with Dependent Children, there are 420,000 noncitizens.

Now, I would take those statistics, and I would say that you will not find one country in this entire world that could possibly come forward with statistics such as I have just given you as to the number of noncitizens getting welfare and the amount of money that is being paid out. It just simply doesn't happen, and when you start putting the dollars to that, we start talking about a lot of money, and it is up to this committee to make those determinations and to know what we are talking about and when we pass legislation to know what we are voting for.

In your testimony, you talked about low wages being paid out and whether nonresidents, farm workers should draw food stamps. On one side, you are saying they certainly should and on the other side you bash the employers by saying it is supplementing corporate farming. I think it certainly is supplementing corporate farming, and I think that corporate farms that bring nonresidents, noncitizens into this country to work their fields should be responsible for the other benefits that the State of California, the State of Florida and every other State is getting stuck with because I don't think that is fair.

I am not going to get into the union argument with you because I am sure that we could find that we have lots of disagreement, but I think as far as responsibility, I think when someone brings somebody into this country, whether it be as a sponsor or whether it be as an employer, they should certainly be responsible for their well-being from the time they get here until the time they return in accordance with their particular contract and that includes their transportation costs back to their own country.

We are having to spend millions of dollars every year by taking the workers from other countries throughout the world and Uncle Sam then is footing the bill to put them back on an airplane to send them home. It is because their company and the people who brought them into the country aren't living up to their responsibility.

Mr. Brimelow, I missed your testimony, but I understand it was very fine testimony. I know that you have heard the previous witnesses say that there is no evidence that immigrants come to the United States in order to get welfare. In fact, Ms. Huerta has made reference to the national health care down in Mexico as—that people actually go home for that. Could you expand on that subject and whether that is correct or incorrect?

Mr. BRIMELOW. My understanding is that it is virtually impossible for Americans to emigrate to Mexico, so this question of whether Mexicans allow Americans to participate in their welfare program is sort of immaterial. And they also throw out a very large number of illegal immigrants each year, most of them from Central America. So there seems to me there is simply no parallel between the two systems. The Americans do pay a lot of money out to foreigners.

Mr. SHAW. Do you see evidence of people coming into this country to take advantage of our health care system, our national health care system being Medicaid?

Mr. BRIMELOW. Evidence is a concept which appeals a lot to lawyers whether there is evidence of something whether you can fi-

nally prove something. It seems to me that there has to be a logical implication of the way the system is working.

I was very interested to hear the testimony from the lady from California when you were out of the room who said that they have surveyed these women who have come across the border to have children and they clearly said—admitted that they were doing this deliberately to have their citizen children. That seems to me to be the most explicit form of evidence that people are coming to benefit from the American system.

Mr. SHAW. Thank you. Thank you, Mr. Chairman.

Chairman FORD. Mr. Brimelow, in the June 22, 1992, edition of the National Review, you wrote an essay entitled Time to Rethink Immigration. And in that essay you wrote: Above all, the American ethnic mix that has been upset in 1960, the U.S. population was 88.6 percent white and in 1990 it was only 75.6 percent white.

In the same essay you stated, the change in public policy opened the Third World floodgates after 1965. A further change in public policy could shut them. Public policy could even restore the status quo of 1965 which would slowly shift the ethnic balance back.

Why are you so interested in shifting the ethnic mix?

Mr. BRIMELOW. Well, I think, as you will see from the earlier part of that article, sir, the discussion at the time of the 1965 act centered on that issue. And at the time the most explicit assurances were given by, for example, Senator Kennedy that the ethnic balance of the United States was not going to be altered by immigration.

As it turns out, this was totally wrong. The immigration which resulted in the 1965 act—and prior to 1965, of course, there had essentially been very little immigration for 40 years—did shift the ethnic balance very quickly. In fact, there is no precedent in the history of the world for the ethnic transformation the United States is now undergoing, and it is entirely as a result of government policy. So as somebody who writes about government policy, I am irresistibly attracted to it.

Chairman FORD. Does your advocacy of shifting the ethnic mix balance back devalue the contributions of the millions of immigrants who came here after 1965?

Mr. BRIMELOW. No, I don't believe, sir, it did advocate that. I said it was a logical possibility. I don't believe I have advocated that.

Chairman FORD. Is there any compelling reason you should want to restore the status quo before 1965?

Mr. BRIMELOW. Well, my argument in that article was that a debate should begin, and that is certainly an issue which necessarily could be debated, but I guess my main concern is that the shift that is going on which is as a result of government policy should be recognized to be as a result of government policy and to be something that could easily be altered.

Chairman FORD. I won't continue that line of questions. Let me thank the panelists for testifying today before the subcommittee.

I appreciate all of you coming and your testimony before the subcommittee today.

This is the last panel of witnesses, and this will conclude the business of the Human Resources Subcommittee on Ways and Means, subject to the call of the Chair. Thank you very much.

[Whereupon, at 4:48 p.m., the hearing was adjourned, subject to the call of the Chair.]

[Submissions for the record follow:]

**STATEMENT OF CARMELA G. LACAYO
PRESIDENT AND CHIEF EXECUTIVE OFFICER
ASOCIACION NACIONAL PRO PERSONAS MAYORES**

Congressman Ford and Members of the Human Resources Subcommittee, the Asociacion Nacional Pro Personas Mayores has mixed feelings about submitting this testimony concerning the impact of immigration on welfare programs. We applaud Congressman Ford for approaching this hearing by focusing on the facts, rather than engaging in "immigrant bashing". At the outset, we wish to commend Congressman Ford for his fairness and objectivity in addressing this very sensitive and oftentimes highly emotional subject.

On the other hand, we are deeply concerned by the growing backlash against immigrants. We regard this as a dangerous trend that tampers with fundamental civil rights and basic concepts of fairness for America's institutions and its people.

A. Mean-Spirited Debate About SSI Deeming Provision

The Asociacion was especially appalled by the mean-spirited and inaccurate debate that accompanied the 1993 Unemployment Compensation Amendments (H.R. 3167), particularly the justification to extend the sponsor-to-alien deemed period from three to five years for immigrants under the Supplemental Security Income (SSI) program. We were outraged by those who characterized the choice as a vote to choose welfare for aliens over benefits for unemployed American workers. This inaccurate, emotional, and highly charged language is an affront to law abiding immigrants who typically came to the U.S. to find greater opportunity or to escape persecution from their homeland. Instead of seeking scapegoats for our unemployment and other problems, our nation should attempt to tackle these issues in a forthright and honest fashion. Many Members of Congress who attempted to pit legal immigrants against unemployed workers behaved very disingenuously because they have in the past either worked against or voted against emergency unemployment benefits for persons who exhausted their unemployment benefits.

The Asociacion will have more to say about the lengthening of the deemed provision after we make a few points concerning the general topic for this hearing: the impact of immigration on welfare programs.

B. Notable Accomplishments by Immigrants

America's history is unique in that we are all descendants of immigrants. This even includes Native Americans whose ancestors crossed over from Russia to Alaska by land that is now under water. Our country has been enriched by the numerous contributions that

immigrants have made in America. This is true for every major field, whether it be medicine, law, politics, science, education, engineering, business, labor or the arts. Time magazine reported in its recent special immigration issue -- entitled "The New Face of America" -- that immigrants account for 30 percent of all U.S. Noble prize-winners since 1901. The Asociacion encourages Members of the Human Resources Subcommittee to read this special edition because it provides much relevant information about the general topic of this hearing.

However, our nation is now experiencing a resurgent nativism which is given expression in xenophobic feelings and a push for draconian legislation to punish or to make life more difficult for immigrants. In part, this drive is fueled by many negative stereotypes or myths about immigrants.

C. Myths About immigrants

One of the most prevalent and widespread myths is that foreigners are inferior to American-born citizens. Time magazine reports that foreign-born persons in the U.S. in 1989 had per capita income that was nearly 5 percent higher than native-born Americans: \$15,033 vs. \$14,367.

Another common stereotype is that immigrants are economic drones who game the welfare system. However, native-born Americans represent the bulk of people who are on welfare, not foreign-born legal immigrants. Most immigrants are hard working and law abiding people who contribute to our society in one form or another. Much of the progress that our nation now enjoys is because of work that immigrants did throughout our history. For example, immigrants helped lay the track for the first transcontinental railroad. They were involved in the construction of canals, buildings, and other crucial industrial structures to make our society prosper. Many are now performing tasks as domestics, nursing home orderlies, janitors, and other positions that many native-born Americans find undesirable. They are responding to a market need. Numerous economic studies conclude that immigration promotes additional business and provides new taxpayers who more than pay their way in our society.

Many Americans wrongfully believe that most immigrants enter the U.S. illegally. This is simply not true. Time magazine reports that more than 1 million foreigners enter the U.S. legally each year. No one can say precisely how many illegal aliens come into the U.S. each year. Experts generally estimate that this figure is 200,000 to 300,000 per year. The Immigration and Naturalization Service estimates that there are about 3.2 million illegal aliens in the U.S. The Asociacion considers this to be a serious problem which our nation must address. However, this must not be done in a mean-spirited manner that tarnishes legal

immigrants or tramples fundamental notions of fairness, due process, and civil rights in our society. Numerous studies in California have found that undocumented aliens do not use public benefits to the extent that people believe. We must also remember that California winked for many years when illegal aliens crossed the border to provide cheap labor to pick the fruit and the vegetables that American consumers ate. Most of these so-called stoop laborers lived in squalid conditions and received pathetically low wages. These people could not avail themselves of public services because they and their children were typically working long hours in the California fields under circumstances that oftentimes violated numerous labor laws.

Unfortunately, there appears to be a growing backlash now against immigrants because of the widespread perception that these individuals are non-Anglo, illegal persons, who come largely from Mexico and other Central American countries, Asia, and Caribbean nations. This tinge of racism makes the problem especially perplexing and has helped to foster draconian legislation to punish immigrants, whether they are legal or illegal.

D. Immigrants Receiving SSI

The Social Security Administration reports that 10.9 percent of SSI recipients in December 1992 were immigrants. A major reason for the increase in immigrants receiving SSI in recent years is because twelve years of supply side economics not only failed many middle-income persons but also lower-income individuals and immigrants. This was reflected in the number of persons receiving various types of safety net benefits, such as unemployment benefits, extended unemployment compensation, food stamps, Medicaid, AFDC, and SSI. The Subcommittee must remember that more than 600,000 people 65 years of age or older were added to the poverty rolls during the past four years alone, from 3.363 million in 1989 to 3.983 million in 1993. Our country has gone into an economic tailspin that has forced more Americans to need safety net programs -- whether they are American-born or foreign-born.

E. Need to Overturn the Lengthening of the SSI Deeming Provision

We fully recognize that the existing measure to lengthen the SSI deemings provision will remain in the 1993 Unemployment Compensation Amendments. However, the Asociacion urges the Human Resources Subcommittee to overturn this measure at the earliest opportunity, for the following reasons.

First, the proposal was hastily conceived without the opportunity for careful deliberation by the Ways and Means Committee. It was a classic example of budgetary and political considerations determining the legislative outcome, rather than

sound and thoughtful policy considerations. Immigrants cannot vote and are not in a position to exercise their displeasure at the ballot box with Members of Congress who attempt to exploit them for revenue raising or budget reduction measures. Congressman Levin was very upfront and honest when he described how the deeming provision was developed as an afterthought to provide partial financing for the extended unemployment benefits. He told Members of the House of Representatives:

...We were under the gun to fund the unemployment benefit extension in real terms. And so this proposition of reform or change in the SSI system was brought up by a member of the staff as one suggestion, and the committee did not delve in any depth at all into it.

The Asociacion strongly believes that this is not the proper way to legislate. We sincerely hope that your present hearing will provide a forum to shed more light in a dispassionate way on this sensitive and important issue.

Second, H.R. 3167 was not simply a vote for benefits for unemployed American workers or welfare for aliens. The Asociacion reaffirms that there are many alternatives -- which are fairer, are more substantively sound, and can raise more revenue to finance the extended unemployment benefits -- than the proposal to lengthen the SSI deeming provision for immigrants with limited income and resources.

We have suggested in the past that the Congress could impose a 5-percent tax on interest earned by foreigners in the U.S. on loans to American companies and the U.S. government. Citizens for Tax Justice projects that this change alone could raise \$13 billion over a five-year period. This change would not only help finance H.R. 3167 with nearly \$12.7 billion to spare, but it would also permit a modest benefit increase for low-income SSI recipients and could reduce the federal budget deficit at the same time.

Numerous other alternatives are also available. For example, the amount of indebtedness qualifying for the mortgage interest deduction could be reduced from \$1 million to \$300,000. This change would reduce the mortgage interest deduction for a relatively small proportion of more affluent taxpayers who live in more expensive homes. The Congressional Budget Office (CBO) estimated that this proposal could increase revenues by about a \$12.5 billion during a five-year period. This estimate would even be higher now -- perhaps 20 percent higher -- because the 1993 Omnibus Budget Reconciliation Act provides higher tax rates for more affluent taxpayers.

There are many other options for both the Ways and Means Committee and its Subcommittee on Human Resources to consider to provide alternative financing for extending unemployment benefits

or to develop a substitute financing mechanism to replace the lengthening of the SSI deeming provision. CBO's report to the House and Senate Budget Committees on "Reducing the Deficit: Spending and Revenue Options" provides ample options. Numerous other sources exist also, such as Citizens for Tax Justice.

F. Conclusion

In conclusion, the immigrants affected by the change in H.R. 3167 are legal. They have the same obligations as U.S. citizens, except that they cannot vote. They must pay U.S. income tax on their income. They pay Social Security and Medicare tax on their earnings. They must abide by U.S. laws and state and local statutes and ordinances.

Those who qualify for SSI are aged, blind, or disabled with very limited incomes and resources.

We, therefore, urge you to delete the lengthening of the deeming provision for immigrants under SSI and replace it with a fairer and more substantively sound proposal to provide financing for unemployed workers who have exhausted their unemployment benefits.



NATIONAL CONFERENCE OF STATE LEGISLATURES

444 NORTH CAPITOL STREET, NW SUITE 515 WASHINGTON, DC 20001
 202-624-5400 FAX 202-737-1069

ROBERT T CONNOR
 SENATE MINDSET WHIP
 DELAWARE
 PRESIDENT, NCSL

JOHN TURCOTTE
 DIRECTOR
 JOINT P.E.E.R. COMMITTEE
 MISSISSIPPI
 STAFF CHAIR, NCSL

WILLIAM POUND

EXECUTIVE DIRECTOR

November 15, 1993

The Honorable Harold E. Ford
 Chairman
 Subcommittee on Human Resources
 Committee on Ways and Means
 U.S. House of Representatives
 B317 Rayburn House Office Building
 Washington, D.C. 20515

Dear Congressman Ford:

I deeply regret to inform you that I will not be able to participate in your hearing on the Impact of Immigration on Welfare Programs. A sudden illness in my immediate family will make it impossible for me to join you in Washington, D.C. I would ask you to place my written comments into the hearing record.

I have a deep and long-standing commitment to the integration of immigrants into American society. I was a Commissioner on the federal Commission for the Study of International Migration and Cooperative Economic Development and have chaired many special California legislative committees and authored legislation on citizenship, immigrant education and job training. I am the National Conference of State Legislatures' (NCSL) representative to the Advisory Board of the Immigrant Policy Project of the State and Local Coalition on Immigration.

The Immigrant Policy Project resides at NCSL. NCSL, NGA, NACo, USCM and APWA decided in 1990 to create a program to examine the impact of immigrants on states and localities and identify model programs that address community relations, education and training and health concerns. This project focuses on the realities that face state and local government: immigrants reside in our communities and we wanted to improve the communication and enhance the capacity of state and local officials to manage immigrant resettlement policy.

I am enclosing a copy of a Project briefing paper, "Common Immigration Terms" that I hope you will share with the members of the Subcommittee. We have found that there is a great deal of confusion about the term "immigrant" among policymakers. There are multiple categories of immigrants. Federal immigration status determines eligibility for public benefits and the conditions for becoming a citizen. State and local policymakers are not only concerned with public benefits; we must be also concerned about community tensions, language barriers, public health, public safety and the education of our citizens. Immigrants are not a deficit to our communities; they are taxpayers, contribute special skills, and create jobs and new technologies. Immigrants are our neighbors, co-workers, and family members.

Discussions of immigrants' use of services often degenerates into a false and misleading debate. The majority of legal immigrants are self-sufficient and contribute to our economic growth and are a source of job creation. In my eighteen years as a legislator, I have seen no credible proof that the impetus for immigration into the United States is welfare. People come to the United States to escape from persecution, join family members and find economic opportunity. Legal immigrants use fewer social services than natives. According to our Senate Office of Research Report, Californians Together, released this summer, 4.1% of California citizens receive welfare in contrast to 3.8% of all immigrants who are long-time residents of California. Leif Jensen of Bates College has found that immigrants with over five years of residency (who constitute a substantial majority of all immigrants) were significantly less likely than comparable natives to receive public assistance. Like immigrants before them, they may arrive poorer than Americans but access less services than comparable citizens and rely on their families.

NCSL has long supported federal efforts to assist individuals and families forced to flee their native land for fear of personal safety. While refugees continue to be admitted, federal support which provides income and medical assistance, social services, education and employment and training continue to diminish, shifting the costs to state and local government. States were originally guaranteed by the 1980 Refugee Act full reimbursement for cash and medical assistance for 36 months for all refugees; the federal government only allocates sufficient funding for eight months for those refugees not eligible for AFDC. Similarly, the 1986 Immigration Reform and Control Act promised sufficient funds for education and other services for the newly-legalized, but reimbursement for state and local government has been repeatedly delayed. This has hampered our naturalization efforts as English language training is necessary to meet the language proficiency requirement.

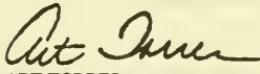
States gave the role of naturalization, border control and foreign policy to the federal government. Unfortunately, the federal government has not effectively naturalized the foreign born, controlled its borders, or funded the consequences of its foreign policy decisions. In effect, states and localities have struggled to knit transitional resettlement services from a limited pool of federal funds. Mr. Chairman, the federal government has abdicated its responsibility to fund the consequences of its decision-making.

Immigrants contribute \$90 billion in tax revenue from their earnings according to Business Week. This is from approximately \$240 billion in income from 11 million working immigrants. The federal government receives the bulk of this tax revenue. While the federal government receives 2/3 of these funds, states and localities pay for 2/3 of the upfront cost of services including education. This inequity in transfer payments leaves states struggling to provide services in a time of constrained state and local budgets. With the steady decline in federal assistance, states and localities are faced with cutting back on programs and with meeting the needs of the native-born as well as the newcomers, raising issues of equity and community tensions. My experience in Los Angeles has shown that reducing needed services does not contribute to stable community relations.

Shifting the costs to state and local government is not the answer, economic and job training is. I have maintained throughout my career that economic development on both sides of the border is the best long-term solution to undocumented immigration. We are deeply concerned about the proposal to raise \$19.5 billion dollars by eliminating benefits for noncitizens. State and local government can and should not be the safety net for federal policy decisions. This appears to be a \$19.5 billion cost shift that ignores the reality of the transitional needs of legal immigrants. Eliminating the federal funds does not change the states' legal responsibility to provide services, especially emergency health care. Many American citizens reside in families where members are of different status. Disease does not respect immigration status; but localities would have to deal with the public health consequences.

I urge you to reject policies that divide us, ignore the realities of a multi-ethnic society, and cause states to bear the costs of federal policy decisions alone.

Sincerely,



ART TORRES
SENATOR
CALIFORNIA STATE SENATOR



State and Local Coalition on Immigration Immigrant Policy Project

Common Immigration Terms

What is an immigrant?

As a general term for new arrivals, this includes legal immigrants, refugees, asylees, parolees, and others. Legal immigrants are granted admission to the United States on the basis of family relation or job skill. The Immigration Act of 1990 permits 700,000 immigrants to enter in 1992.

What is a refugee?

A person who flees his or her country due to persecution or a fear of persecution because of race, religion, nationality, political opinion, or membership in a social group. Refugees are eligible for federal resettlement assistance. 144,000 refugees are allowed to enter the United States in 1992.

What is an asylee?

Similar to a refugee, this is a person who seeks asylum and is already in the United States when he or she requests permission to stay.

What is parole?

The Justice Department has discretionary authority to permit certain groups to enter the United States in an emergency or because it serves an overriding public interest. For example, 150,000 Cubans and Haitians were admitted under parole during the 1980 Mariel boatlift. Parole may be granted for humanitarian, legal or medical reasons. These entrants are granted temporary residence, and are ineligible for special federal benefits.

What is an "illegal" alien?

Now referred to as an undocumented person, this is someone who enters or lives in the U.S. without official authorization. In 1986, Congress granted amnesty to approximately 3 million undocumented persons under Immigration Reform and Control Act. This law initiated a requirement that employers obtain proof of citizenship from all their employees or face stiff financial penalties. No federal assistance is available, although some states provide some services to this population.

What is the "green card"?

The green card represents permission to stay permanently in the United States. It is issued to legal immigrants, and to refugees after one year of residence. Asylees may also become permanent residents, but there is a numerical limit of 10,000 adjustments per year.

These definitions cover the majority of entrants to the United States, although the federal government has created a number of other categories with varying levels of federal assistance for specific populations. For example, Temporary Protected Status (TPS) provides a stay of deportation and work permit for refugees from El Salvador, but no special federal assistance.

**TESTIMONY OF REV. RICHARD RYSCAVAGE
EXECUTIVE DIRECTOR
U.S. CATHOLIC CONFERENCE
OFFICE OF MIGRATION AND REFUGEE SERVICES**

This testimony is submitted on behalf of the United States Catholic Conference (USCC), Office of Migration and Refugee Services (MRS). MRS provides resettlement assistance to refugees through 138 diocesan affiliate programs, making it the largest refugee resettlement agency in the country. In federal fiscal year 1993, MRS resettled 29,575 refugees from 45 nations, representing at least 58 ethnic groups. Our sister agency, the Catholic Legal Immigration Network, Inc. (CLINIC) is a non-profit, tax exempt corporation that bears the responsibility for providing support to diocesan immigration programs across the country. CLINIC is the heir to the Bishops more than seventy year history of helping new immigrants to this country.

This testimony is offered in conjunction with Catholic Charities USA, the nation's largest, private, human service organization with more than 1,400 affiliated agencies and institutions. Every year, more than 265,000 staff members and volunteers serve more than 12 million people in need--mostly families and children.

The Catholic Church's Commitment to Newcomers

We have become increasingly alarmed by the anti-immigrant sentiment and polemic that has been gaining momentum in this country. The media and some irresponsible politicians have fueled this animosity by blaming immigrants for some of this nation's more intractable problems. As agencies that are part of a helping tradition that spans this century, we are aware that a general anti-immigrant feeling can quickly deteriorate into more specific anti-Catholic, anti-semitic and racist talk and action.

The Catholic Bishops of the United States have observed with concern the rising tide of xenophobia in this nation and are aware of its potential for divisiveness. During their November meeting in Washington, DC, the National Conference of Catholic Bishops (NCCB) unanimously endorsed a statement by the Committee on Migration entitled, "Immigrants and Refugees in the United States Today: A Call to Solidarity" (appended). In it, the Bishops note the U.S. leadership in welcoming the stranger and "in weaving together so many people into a cohesive nation" and providing "a beacon of hope and an example to other nations." In examining the current climate, the statement notes that "as long as the United States does not bear a disproportionate share of the world's immigration, any abdication of our tradition of welcoming those in need who have so much to contribute only reinforces negative sentiment and rejectionist actions here in our country and in other nations."

This statement follows a tradition of Catholic social thought that goes back more than one hundred years. Beginning with the publication of Pope Leo XIII's 1891 publication of *Rerum Novarum*, the Church has expanded on the principle it originally advocated--the dignity of human labor--through various papal letters and encyclicals. These documents combined provide the Church with a substantial body of moral teaching which has consistently affirmed the right to work and its necessary corollary, the right to migrate to secure work.

Following the massive displacement of people brought by World War II, Pope John XXIII, in the encyclical *Pacem in Terris* proclaimed that "[r]efugees cannot lose [their] rights simply because they are deprived of citizenship of their own states." Catholic social teaching also explicitly recognizes that states have a role to play in enabling newcomers, particularly refugees, to become full participants in the social and economic fabric of the nation they enter and that the distinctions between citizens and others should be minimized to preclude unnecessary divisions within a society.

At the same time, it is important to note that Catholic social teaching explicitly recognizes the principle of sovereignty and the decisions that states must make to ensure the well-being of those residing within their borders. This means that the Catholic Bishops of the United States recognize the necessity of an immigration system that processes individuals who wish to enter this country. The Bishops do not encourage illegal immigration, but they are committed to safeguarding the precious human rights and the human dignity of those who are here and to urging the government to recognize its responsibility towards these individuals.

Newcomers and Welfare Programs

Through our extensive experience in providing assistance to newcomers to this nation on behalf of the NCCB, we would caution the Congress to resist popular pressure to target newcomers to this country as the source of the major social ills besetting this country. In particular, it is disingenuous to think that excluding newcomers from benefits could significantly redress our economic difficulties or balance the budget.

There are some who believe that immigrants use of benefits impacts unreasonably on welfare costs. In California, where some of the most fertile ground for anti-immigrant sentiment exists because of the state's economic difficulties and its large number of immigrants, a recent study carried out by the state's Senate Office of Research concluded that 95% of the California households headed by immigrants receive no public assistance - a higher ratio than for citizens. This statistic belies the belief that large numbers of immigrants are welfare recipients and thus a significant burden on the welfare system. This statistic coupled with data showing that California immigrants pay about \$4.3 billion in federal, state, local taxes combined--an amount which exceeds by four times what they receive in services and benefits--further underscores the danger of hastily concluding that denying benefits to immigrants is a fair and appropriate way to deal with our fiscal deficit. Other studies such as one done a year ago by the Economic Policy Institute credit the immigrant population of Los Angeles with a total tax contribution of \$4.2 billion in 1992. A Business Week article in July 1992 stated that, over their lifetime, immigrants pay \$15,000 to \$20,000 more in taxes than they receive in government benefits. A University of Maryland study of three years ago contends that 11 million immigrants are working in the U.S. paying \$90 billion in taxes - an amount that exceeds by \$5 billion what they presumably receive in public assistance benefits.

At the same time, there is an enormous concern that the undocumented come to the United States so that they can live luxuriously at the expense of the U.S. welfare system. The undocumented are eligible only for child nutrition programs, public school education for undocumented children and emergency medical care. At this point, the Administration does not envision inclusion of the undocumented in the healthcare plan. This means that the undocumented will tend to delay medical care until their illnesses are serious enough to merit use of the most expensive type of medical provision possible. The NCCB Committee on Migration has recommended that the undocumented be included in the health care plan as a means of ensuring their human dignity, lowering costs and promoting the public health of this country (statement attached).

Refugees brought into this country through the U.S. refugee resettlement program are eligible for various types of benefits. This is due to the fact that by definition, they are survivors of persecution. In many cases, they have been severely traumatized by the conditions they have left behind and the treatment they have received. Yet, in our experience, in their drive to reassert their full human dignity, this population has an overwhelming commitment to self-sufficiency. Welfare for this group should remain an interim cushion to be used while they are coming to terms with this society.

There are other types of immigration status we have not discussed here. We would caution against the presumption that everyone in this country is either a citizen or an immigrant. In fact, persons are admitted to this country through a very complicated and highly regulated system that allows for different types of status depending on the circumstances that bring them here. Frequently, a single family will have members in different status. Refugee families often include members in parole status and after residing in the U.S., sometimes citizen children are born. Families with undocumented members also often include citizen children, and perhaps a newly legalized member as well. Furthermore, limiting access to benefits will increase the tendency for national origin discrimination. Foreign-looking and sounding persons will be carefully screened before receiving services, while those who look "American" will not.

It is not always that simple to separate families based on immigration status without separating the family. Likewise, it is not easy to separate "foreigners" from "natives" in a nation of immigrants without dividing the nation against itself.

Reform

The Administration is currently examining reform of the welfare system - a move that we strongly endorse. Catholic Charities USA has a workgroup actively examining measures to redesign the current AFDC system. The U. S. Catholic Conference is working with Catholic Charities to promote with the Administration and Congress measures that will contribute to a system more responsive to the people whom it is intended to help. Examining problems of service delivery to needy Americans is by far a more fruitful way to address the issue of welfare utilization and cost than targeting immigrants for draconian actions which

may have little effect on either service systems or measures to achieve greater cost effectiveness. We acknowledge that current program and economic realities warrant an examination of the public assistance system. Our collective attention should be given to improving that system--not arbitrarily excluding persons from participation who are not the source of the problem. Immigrants create jobs by stimulating new businesses, through investment capital, and by generally enhancing the productivity of U. S. businesses.

Conclusion

It is important to eliminate rhetoric that may seem to serve the short term objective of saving tax dollars when, in fact, the savings may be illusory. Attempts to restrict benefits to immigrants disguise the need for more profound changes in the welfare system and pit groups against each other on the basis of national origin and ethnicity.

It is a gross disservice to the human beings that come to the U.S. and invest their lives here to suggest that exploiting our system of benefits is a crucial motivation for their action. According to the Immigration and Naturalization Service's (INS) 1992 Report on the Legalized Alien Population, 94 percent of immigrants surveyed cite economic reasons or a desire for employment, with reunion with relatives a strong second (62%), as the key motivating factors behind immigration. The same study provides ample evidence that immigrants newly legalized under the provisions of the Immigration Reform and control Act of 1986 made very limited use of the public benefits that they could have legitimately accessed. This fact, coupled with the fact that the vast majority of legal immigrants come to join citizen or lawful permanent resident family members indicates that immigrants are not without resources and motivation when they arrive in this country. Citizen and permanent resident family members provide a cushion for the newcomers while they orient themselves to this society and often provide the basis for the pooled resources that are so often the basis for immigrant businesses.

Newcomers to this country are striving, hard working persons whose motives for joining our society are no different than those which prompted millions to come to this country in years past. Denying immigrants benefits implies less honorable motives for those who often assume considerable risk to improve their circumstances. We cannot allow this notion to persist in the face of evidence to the contrary. Newcomers have contributed substantially to our economic success as a nation and have enriched us socially and spiritually. Through the diversity which they lend to our social fabric, they have made us a nation which, in its finer moments, has spoken eloquently of diversity, tolerance, and justice. While these may be ideals that are not readily acknowledged in the heat of discussion about budgets and newcomers, they need to inform our larger national understanding of how we as a nation react to both issues.

**STATEMENT OF THE
NATIONAL CONFERENCE OF CATHOLIC BISHOPS'
COMMITTEE ON MIGRATION¹**

**IMMIGRANTS AND REFUGEES IN THE UNITED STATES TODAY:
A CALL TO SOLIDARITY**

"For the Lord your God . . . renders justice for the orphans and the widows, and befriends the aliens, feeding and clothing them. So you, must befriend the aliens, for you were once aliens yourselves . . ." (Dt. 10:17-19)

As pastors, we are deeply concerned about the growing hostility toward immigrants evident now in some parts of our society and even, sad to say, supported by some public officials. This hostility is often expressed by publicly blaming our current economic and social difficulties on foreigners who have come to the United States seeking a new life. In the context of Catholic social teaching and in the light of our Judeo-Christian heritage, such an attitude is not acceptable. Some public officials are calling for and/or initiating public policies that tend to foster an attitude of selfishness and greed, racism and cultural bias. There are some who would even go so far as to restrict basic health and educational services which are due by right to every human being. We must raise our collective voice to protest this mentality and call for a change of heart and a renewed commitment as a nation to solidarity with immigrants and refugees.

From time to time in our nation's history we have seen periods of nativism. This form of ethnic and social isolationism which favors one's own citizens to an exaggerated degree plays on the unfounded personal and social fears of immigrants. In this situation, "those not like us" become scapegoats for all of the ills of our society. Left unchallenged, nativism deeply embeds itself into the very fabric of our common economic, social, and political life. Our concern is that the growing negative rhetoric about immigrants and the attendant policy proposals

¹ Authorized unanimously by the National Conference of Catholic Bishops on November 16, 1993.

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and legislation at the national, state, and local levels bring about a new wave of nativism which is destructive to the development of healthy communities. Those communities prosper when old and potentially new groups of citizens learn to live and work together.

As a nation, we need to stop and think about what is at stake and what we lose by blaming and rejecting immigrants. Certain values hold our society together and give shape and common expression to our lives. Respect for people and their human dignity, family relationships, the strength arising from diverse cultures, and the commitment to the common good of our society are placed in jeopardy when we too easily reject the sojourners, strangers, and aliens in our midst. Americans cannot deny the great contributions made by immigrants in the building and continuing development of our society.

Our biblical tradition, the social teachings of our Church, and our nation's history all provide a strong basis of support for immigrants and refugees. Jesus' own words: "I was a stranger and you welcomed me" (Mt. 25:35) should be our guiding ethic and action. At a time of continuing deep recession and general anxiety about the future for so many, the temptation to blame immigrants is all too easy. We must resist this temptation. Rather than reject immigrants, we should reject the political cynicism of the anti-foreigner sentiment.

A more open attitude toward immigrants reflects an awareness of the underlying causes of the mass migration in the world today. The widening gap between rich and poor nations, ecological disasters and ethnic conflicts contribute to this mass migration. The post-cold war era has ushered in a new time of uncertainty. Ethnic wars, economic and political collapse, and a legitimate desire

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to improve the daily circumstances of life for one's family motivate many to search for new opportunities in countries outside their homelands. While it is true that no one country can respond totally or take in all those seeking freedom and a new life, the world of nations simply cannot shut its eyes or doors. The most vulnerable in the world -- those with nowhere to lay their heads because of persecution and injustice -- should not be denied justice, a safe haven, or a new life. The Church believes in a level of immigration that is both generous and reasonable. She understands governments' responsibility for orderly and humane regulations and for protecting the common good of their citizens. However, this should not be used as an excuse to justify selfish and exclusionary policies.

For so many decades the United States welcomed the stranger. Its leadership in weaving together so many people into a cohesive nation has been a beacon of hope and an example to other nations. The United States is a microcosm of the world's great religions, ethnic communities, and races. As long as the United States does not bear a disproportionate share of the world's immigration, any abdication of our tradition of welcoming those in need who have so much to contribute only reinforces negative sentiment and rejectionist actions here in our country and in other nations.

The Church offers us a vision that can aid us in maintaining our nation's commitment to welcoming immigrants -- a vision based on solidarity and the common good of society. Our country's long history as an immigrant nation should not be forgotten. It has been our strength and a source of renewal. We remember that the Holy Family itself had to flee into Egypt as refugees and that there was no room in the inn for the birth of our Savior. Let us mark an end to our rejection of immigrants and embark on a new beginning where as a nation and a family of nations we begin learning again how to welcome the stranger into our midst.



COMMITTEE ON MIGRATION

STATEMENT ON HEALTH CARE Most Rev. Theodore McCarrick, Chairman

As members of the Committee of the National Conference of Catholic Bishops which has the responsibility to address and evaluate issues relating to human migration and as Bishops of dioceses that provide services to the indigent regardless of immigration status, we are very concerned that the health care plan presented by President Clinton's Administration does not include the undocumented immigrants--workers and children--who live among us. This omission is a grave concern, not only in light of the experience of the Church, but of the framework within which the plan was conceived. The Catholic Bishops of our country have unanimously adopted a positive statement outlining the principles and priorities for national health care reform. It is clear to the Committee on Migration that the exclusion of the undocumented fails to satisfy our priority concern for the poor expressed through universal access to any new program under consideration.

The provision of health insurance in this country is inadequate for many, but especially for the poor. The conviction that there must be some provision of assistance for individuals who are otherwise denied adequate health care is presented as the driving force behind the Administration's formulation of a health care plan. We share that conviction. How ironic it is that that very plan itself would lock out an important contributing segment of the population of this country by barring undocumented aliens from participation. This group includes many migrant farmworkers who harvest the food that we eat and who are among the most vulnerable and needy laborers in the United States.

Fairness dictates that the undocumented workers be covered by the health plan along with others in this society. Undocumented workers are brought to this country by the lure of jobs. They pay taxes here as well. Federal, state and local coffers are enriched by the withholding from paychecks of undocumented workers: sales taxes affect undocumented

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shoppers just as they do citizens and permanent residents. Yet, the health plan envisions an environment in which the undocumented cannot benefit from a health plan financed in part by their own tax remittances.

Currently, undocumented men, women and children are eligible only for emergency medical services. This is the most expensive means of providing medical care in human terms as well as financial terms. It is only when the pain is unbearable, the pregnancy at term, the injury life-threatening that the undocumented seek out medical care. The risk inherent in the low-paying, hazardous jobs that undocumented workers tend to take, would now be compounded by an inability to seek preventive treatment under the health plan. How are we to explain to undocumented children--who have no choices when it comes to immigration status--that they will be sentenced to suffer from childhood diseases that will be preventable for other children?

The truth is that regardless of whether they are included in the health plan, the undocumented will remain in this country as long as there is work for them here. If the plan is enacted as written, undocumented workers and their employers will pay into the system without being able to access it. Yet, the undocumented will continue to have medical needs; and those needs will have an additional cost. The question is whether those costs will be borne responsibly as part of a medical plan that covers all of the needy in this country or by emergency medical services that have a tremendous local cost.

It is short-sighted to pretend that omission from the health plan does anything other than exacerbate a situation and short-change people who are already severely marginalized in this society. Catholic social teaching recognizes the human right to adequate health care as a component only of human dignity. It also recognizes that how we treat those in the greatest need is a measure of our own well-being. We call on the Administration to reconsider its decision and create a real health "safety net" that provides adequate comprehensive care, including access to preventive health services for the undocumented who live and work amongst us, but who are truly treated as the "least" of this nation's inhabitants.

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